

International VIEWPOINT

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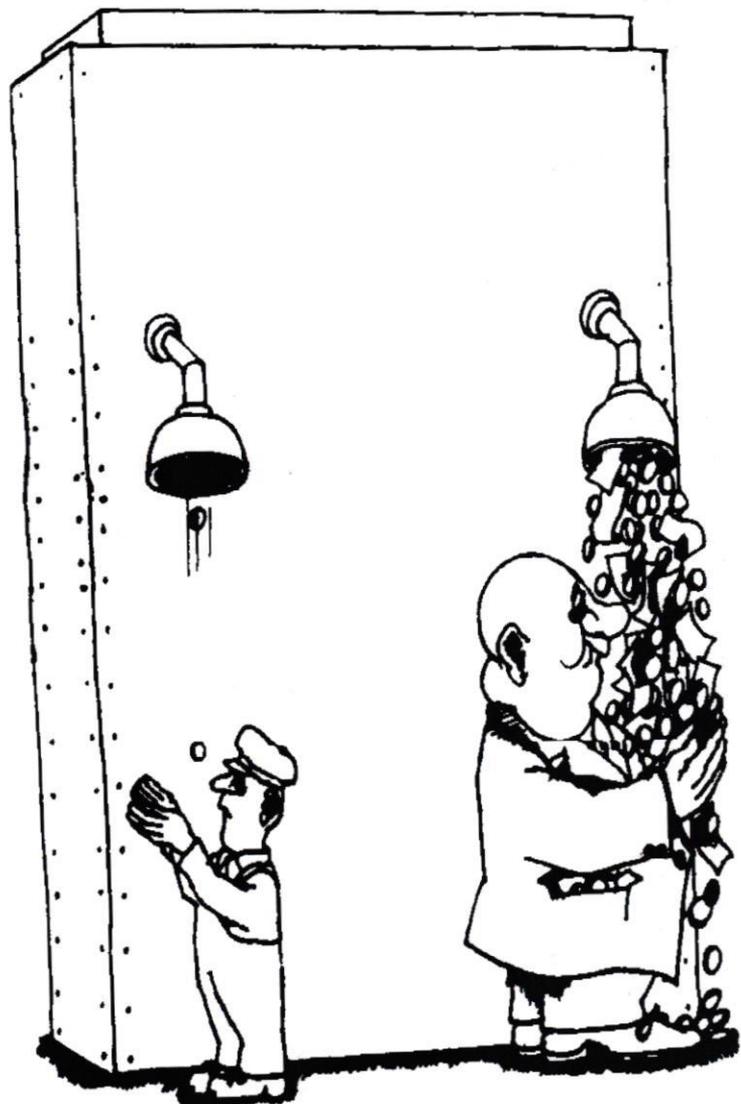
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German rulers play double game on racism

MORE than half a million people marched throughout Germany in protests against racist violence in the days around November 9, 1992, the anniversary of the anti-semitic "Kristallnacht" pogrom perpetrated by the Nazis in 1938. These protests exposed both the potential and the problems of anti-fascist politics.

DAVID MÜLLER

— November 11, 1992.

BY far the largest demonstration was that in Berlin on November 8. This was impressive not only because of the number that took part — 300,000 — but in terms of the range of organizations that called for it. This latter fact deserves closer scrutiny.

The alliance for the mass demonstration extended from the CDU (Christian Democrats — dominant in the country's rightwing government) to the PDS (Party of Democratic Socialism, a descendant of the former ruling party of East Germany). The only mainstream party to stand aside was the CDU's Bavarian sister party, the CSU, which is to the right of the CDU and is more and more inclined to play the racist card.

The initiative for the demo came from the CDU — surprising, given that this party has been whipping up a storm against refugees since 1986. There are a number of reasons for the (limited) change of line by the bourgeois camp. Head of the list was the concern repeatedly expressed by the speakers at the rally about "Germany's image in the world". German investments and investments in Germany must not be put in jeopardy by

a bad reputation.

A second important reason is the mood among the voters, whether from the conservative or social democratic camp. The majority of them are in favour of expelling refugees and are often racist. On the other hand they do not want a terrorist fascist movement. This means that the government cannot only rely on the division and repression fuelled by racism. They also need to make an integrationist appeal to "our democracy".

The Nazi pressure group

A further motive for the CDU's initiative was the new role played by the fascists in today's Germany. So long as small groups of Nazis could be used as a sort of "pressure group" for bourgeois aims — in particular that of changing the paragraph in the German constitution guaranteeing the right to asylum (see box on p. 4) — many bourgeois politicians were happy to explain the "understanding that people have for these young people" when they attacked refugees.

Now, however, through actions against beggars, prostitutes (notably in Dresden) and refugees, the fascists have been able

to lay the cornerstone for a new mass street movement in the territories of the former German Democratic Republic (East Germany). At the same time they have won a new social base. In the West their supporters were mainly lower middle class types but in the East the fascists have made inroads among school students and workers.

The fascist groups have profited from the government's anti-asylum propaganda and made a decisive contribution to the racist climate of recent months. The ruling class and its big parties have little interest in seeing a fascist movement that breaks out of its minor role. This could mean a massive loss of votes for the conservative parties as well as a reaction from the left.

It is thus little wonder that the demonstration's slogan — article one of the constitution ("the value of a human being is sacrosanct") — was somewhat vague.

Making a good impression

The ambiguities in the attitude of the ruling circles were abundantly clear in the speech by the German president Weizsäcker who denounced violence "both from left and right". No word about the roots of the violence or the responsibility of his own party. The demonstration was not to condemn his own policies but to make a good impression on the outside world.

Weizsäcker's speech was also the occasion for a sensation as several hundred "autonomists" (a semi-anarchist current which goes in for squatting and has won a certain measure of support for its anti-fascist activities) started shouting "hypocrite" and throwing rotten eggs and tomatoes.

Understandable as such feelings are, this attack on the president was a big political mistake, giving the media the opportunity to paint a picture of "wreckers from right and left who threaten democracy".

Worse however was the fact that the big success of the demonstration was totally overshadowed. Getting 300,000 out to march against racism is already impressive but on top of the sheer numbers is the fact that most of the banners and signs called for keeping the right to asylum. Thus the left had succeeded in turning what the bourgeoisie intended as a big parade of its own virtues into a demo against bourgeois policies. This achievement was also among the victims of the eggs and tomatoes.

It meant that, even if the bourgeois politicians could not hail the demonstration as their own success, they could nonetheless raise a hue and cry about "the rabble" (as German Chancellor Hel-



The German Social Democrats and asylum

IN the wake of the neo-Nazi attacks on the immigrants' hostel in the German city of Rostock in late August and the subsequent wave of racist violence, Germany has been the scene of a fierce debate on the country's laws on asylum.

The rightwing government led by Christian Democrat Chancellor Helmut Kohl is proposing a change to article 16 of the German constitution which enshrines the right to asylum. Currently, this article gives every asylum seeker the right to make an asylum request and obliges the authorities to examine this request and feed and house the applicant while the examination is taking place. The applicant cannot be expelled. Finally, if the request is turned down, the asylum seeker can appeal to the constitutional court, without having to leave Germany.

The proposed changes would bring German law on this matter into line with the European Schengen Agreement; it would become possible to restrict asylum seekers to zones of international transit (such as airports), immediately expel refugees whose applications are considered unfounded and, finally, refugees would have to return to their country of origin or to a third country while their appeal was being heard.

At the centre of this debate is the German Social Democratic Party (SPD) whose votes are needed if the proposed changes to the constitutionally enshrined right to asylum are to be passed. While its leadership intends to support Chancellor Kohl's attack on the right to asylum, the SPD rank-and-file are unhappy.

On November 16 and 17 the SPD is holding an extraordinary congress aimed at adopting a final position on the asylum issue. In France, the Right to Asylum collective is launching a campaign to put pressure on the SPD, calling on the delegates to the special congress to oppose the proposed change to article 16 of the German constitution.

A demonstration is planned in Bonn for November 14 called by many anti-racist associations in defence of the right to asylum, against any change to article 16 and against racism. This action is drawing the support of anti-racist, anti-fascist and immigrant organizations from across Europe. ★

mut Kohl put it) and make the general atmosphere even more tense. The mayor of Berlin, Diepgen, was demanding that one young man be arrested simply because he had called the mayor a hypocrite.

But let's think positive. The demonstration showed that there is an understanding among youth of immigrant background and beyond of the need for a united mobilization against the fascists.

This was also clear from other demonstrations — of 40,000 in Stuttgart, of 20,000 (mainly against social cuts) and 3,000 (against racism) in Hannover, 5,000 in Hamburg, and 8-10,000 in Mannheim, among others.

Self-defence

The task of socialists is to fight for united concrete action — above all for self-defence, which even Weiszäcker mentioned in passing — between all those ready to act.

4 At the same time there is a need for the formation of anti-racist groups to defend

full legal and social equality for immigrants and refugees. Special attention in this should be given to the emerging vanguard among the immigrant youth.

Such mobilization and organization can not only stop the Nazis. It can also counteract trends towards a strengthening of the state. An increasing number of voices are heard from the bourgeois camp calling for a hard line "again both left and right". Chancellor Kohl has already raised the threat of a state of emergency if the SPD does not agree to a change in the asylum law. While the strong state may strike at the right, its heaviest blows will certainly be against the left and the workers' movement.

As it develops its anti-racist strategy it is up to the radical left to also prevent such a development. Such a strategy must challenge the existing social system and avoid the blunders that led up to Hitler's assumption of power in 1933.

German socialists must launch a united and effective offensive against the right's terror with all the energy at their disposal. ★

Fascism and capitalist unification

A BIG celebration in Schwerin greeted Chancellor Kohl on the second anniversary of the unification of Germany. However, the anniversary was in truth a sombre one, above all owing to the rise of racist violence in recent months. The worst of this violence has been seen in the territories of the former East Germany.

ANGELA KLEIN

ON both sides of the Elbe, people feel threatened. The development of the two German states as a part of the postwar division of Europe provided a certain sense of security and even well-being. In the East the population had the feeling of having been delivered from the weight of the fascist past and of belonging to a new and better Germany. In the West the race was on to achieve the American way of life under the official title of "Western democracy and a rejection of Communism".

Unification also meant the collapse of these two identities without any new economic impulse to provide a new perspective around which to mobilize the joint efforts of those in West and East. The majority of the labour movement blinded by anti-communism has paid a heavy price for its belief that, all things considered, life was better in the West.

The vast bulk of the left was not ready for the new situation. Neither left nor right understood the extraordinary build up of contradictions and hidden violence in the East.

The inhabitants of East Germany were not accustomed to live with foreigners — there were only 100,000 in East Germany who mainly lived in relatively comfortable ghettos.

The social crisis in East Germany should not be looked at solely through the optic of poverty, which is not as yet widespread. Also important is the crisis of the social structure in which people either do or do not find a place and a meaning to life.

The former East German state took responsibility for organizing social well-being — which amounted to more than

just rigid control and organized irresponsibility. With unification all these structures were brutally destroyed. People in East Germany have been dispossessed a thousand times over.

East Germany's inhabitants now face a grim future, with the foundations of their economic and social life destroyed. A whole array of social institutions — youth clubs, tenants' associations, holiday homes, sports' clubs and so on — which made life in the big housing estates tolerable have simply vanished, leaving these neighbourhoods to the fate of their counterparts in the West.

East Germans hoped to be able to get West German living standards on top of their accustomed social security. In reality, however, they have found themselves racing against the clock to get a secure job. Competition is growing on the job market with immigrants from even poorer countries, such as Gypsies from Romania and Yugoslavia, Jews from the Soviet Union or Poles.

The racist tide has been less powerful in the West where traditional state, political and union institutions have survived, resting on a long-established political consensus.

However, in the West too the postwar prosperity is being undermined, with massive transfers of funds to the East and the start of an attack on the social welfare network. In the West the far right's support comes mainly from those who feel an imminent threat to their relative prosperity, while in the East it is from those who have already lost nearly everything.

Open displays of Nazi symbolism

In recent weeks some 2,500 racist attacks and a dozen murders have been reported. In Dresden, several hundred Nazis have marched beneath the banner of the Third Reich and carrying Nazi symbols without meeting any resistance. Such displays are illegal but the police have escorted these demonstrations without intervening.

It is at this very moment that the government has decided to push ahead with its plans to limit asylum rights. Ultimately, and despite gestures to international public opinion such as the November 8 demonstration, the German authorities are guilty of complicity with the fascists. These latter can channel social frustration away from any challenge to the social order.

The left is in a lamentable state. According to opinion polls, a third of young people agree with the slogan "Germany for the Germans; foreigners out!" and a growing number of school students approve of racist violence.

The polls also suggest that the far right Republicans could expect to get over the 5% barrier for representation in parliament. Added on to the likely results of another far-right formation, the Deutsche Volks Union (DVU), this would give the fascists the same score as the Greens.

Those who want to wipe out the memory of the past and make Germany once again a "normal country" have the wind in their sails. The unification is being heralded both as the final triumph of capitalism

over socialism and the final full stop to the Second World War and Germany's guilt.

Today's Germany is not that of the 1930s. Its own interests impel it to take a leading role in European construction. An important part of the ruling class is talking about Germany "assuming its international responsibilities". Thus the pogroms are an embarrassment as well as a reflection of the new post-unification times. ★

The boat people of Gibraltar

"IF I was a 20 year old North African, I would get into one of these boats, and if they sent me back I would set off again after a month".

This was the comment of Spain's Socialist Prime Minister Felipe Gonzalez on the clandestine immigrants arriving on the coast of the southern autonomous community of Andalusia.

The prime minister's insight, however, has not prevented Spain from scrupulously observing an agreement with Morocco by which immigrants who "accept" that they crossed Morocco to reach Spain are deported back to the former country. In the single month of August this year, the Spanish police arrested 400 immigrants of African origin. The number of Africans who have already crossed the Straits of Gibraltar is estimated at between 12 and 15,000.

CECILIA GARMENDIA

ONCE sent back to Morocco the expelled Africans find themselves in a detention centre in the amphitheatre of Tangiers — which was also used as an internment camp at the time of the 1990 riots — before being sent to prison for three months. Some are then forcibly enrolled in the army and sent to the war zone in Western Sahara, hoping no doubt to be able to make their escape and resume their journey northwards.

A lucrative trade

Clandestine immigration is a lucrative business for a mafia at work on both sides of the Strait. The same networks that in Franco's day used to deal in contraband American cigarettes and transistors then moved onto drugs and now to Africans.

Many Moroccan fishermen have also found a new source of income in this traffic; they can hope to make the equivalent of 100,000FF (US\$20,000) for a

night's work, which should be compared to a likely income from a month's fishing by two people of less than 25,000FF. Even minus the inevitable contribution to Moroccan police benevolent funds it is highly worthwhile.

The journey across has features which recall the slave trade. Up to 40 people are crammed into boats about five metres long and 1.5 metres wide for which they pay between 50,000 (about US\$500) and 125,000 pesetas.

The journey is dangerous first of all owing to the strong currents in the Strait. Furthermore, the boat owners require their passengers to disembark 100 to 200 metres out from shore to avoid police patrols. To avoid the civil guard, the boats never come ashore and the Africans have to swim several dozen metres at least. At least 200 have died in the Strait, including 43 this year.

However, the immigrants' troubles are not over once on Spanish soil. Here they are in the hands of another network

which, for substantial fees, takes them to the province of Almeria or further north. Taxi drivers will charge 32 to 40,000 pesetas to take immigrants from Algeciras to Almeria.

The journey further north is made in goods' vehicles. If they stay in Spain they will work as agricultural and building workers or gardeners for very low wages (for example 500 pesetas an hour in agriculture).

According to the Spanish daily *El Pais*, few women make the crossing in this way and those that do pay far more than the men. Women normally attempt to get a false visa.

If the immigrants are caught by the Spanish police they end up in "reception centres" where they may spend up to 40 days before being expelled. The internment centre at Tarifa for example, "is an office lent by the port authorities which used to be a waiting room for passengers travelling between Tarifa and Tangiers. There is a central corridor which is used as a refectory and two side rooms that have room enough for no more than 45 people.

"At some moments there have been up to 84 people there who are not allowed out — in this respect they are treated worse than criminals" according to a militant of the solidarity association with the immigrants, *Algeciras Acoge* ("Algeciras welcomes you"). Legally, the clandestine immigrant has thirty days to contest their expulsion order. At the end of this period, most are thrown out.

Organizations have been formed in Spain to protest against the treatment of these clandestine immigrants. Apart from *Algeciras Acoge*, there is *Iguales en Derecho* ("Equal Rights"). The former association organizes meetings in the capitals of the southern provinces each time clandestine travellers die in the Strait.

European construction

In Spain as elsewhere the legal and police border controls that are being introduced as a part of European construction have no effect on the causes of this immigration — repression and growing poverty in the Third World.

In Africa half the population lives in absolute poverty and the number of African countries considered as "underdeveloped" has continued to grow — from 16 to 28. A big role in this decline is played by the massive transfer of hard currency to pay interest on the foreign debt.

6 The walls of Schengen will not halt the flood of misery. ★

European conscripts meet in Prague

ON SEPTEMBER 24-27 conscripts from all over Europe gathered in Mjerzin, near the Czech capital Prague for the annual conference of the European Conference of Conscripts Organizations (ECCO).

RON BLOM

THE central discussion at this meeting was about transforming the ECCO from a platform into a real organization. This proposal was accepted by all the affiliated organizations except the Danes. (The affiliated organizations are: VML Finland, SCVR Sweden, AIS/FU Denmark, VVDM Netherlands, SOLAC Belgium, IDS France, ODS Spain, CASMO Portugal, VDSÖ Austria and SVM Czechoslovakia.)

Besides this organizational discussion, there was an important debate on the position of conscripts in Central and Eastern Europe and a related discussion on the difference between the union model and the spokesman system. The new regimes in Eastern Europe want to establish the spokesman system to channel the wishes and opinions of conscripts. They are opposed to organized independent unions such as are found in the Netherlands, Austria or Finland, which they cannot control. For this very reason, Swedish conscripts are examining the possibilities for setting up an independent union.

Representatives and conscripts were invited from East European countries and the new states that have emerged out of the former USSR.

Disappointingly, only three of these countries were represented — the host country Czechoslovakia, Hungary and Bulgaria.

Czechoslovakia: since 1990 there has been



an almost independent organization called SVM. They have also established a spokesman system. The SVM says that while much has been promised little has been done. The conscripts' law still doesn't give conscripts the right to act against abuses of power by officers. Apart from the re-establishment of the SVM, which was first founded during the Prague Spring of 1968 and suppressed after the Soviet-led invasion and "normalization", the only real change to conscripts' daily life has been the abolition of lessons in "Marxism-Leninism". The SVM's participation in ECCO opens the door to contacts with conscripts in other Central and Eastern European countries. The SVM has set up a special ECCO information service for this purpose. It was able to provide information on countries not represented.

Hungary: There is no national conscripts' organization. The government is not in favour and there is little support among the public. A spokesman system is being introduced by the Ministry of Defence. After 1989 the situation of conscripts improved somewhat. There is a new law which offers

Extract from resolution

"...ECCO expresses its great concern about the deaths of conscripts engaged in peace-keeping duties in ex-Yugoslavia and elsewhere. Conscripts must have the right to choose whether they want to join a United Nations-peace keeping operation. This choice may not be influenced by outside pressure and should only be made after the conscript is objectively informed about the actual situation in the region he will be sent to.

ECCO urges the immediate release of three American soldiers convicted by a military court martial for organizing discussion groups to protest command-sanctioned racism." ★

conscripts three options:

- 12 months normal military service.
- 15 months military service without a weapon.
- 22 months civil service.

Bulgaria: The introduction of a multi-party system and free elections has not made much difference to conscripts. It is forbidden to found an organization inside the army and there is no spokesman system. A conscript cannot be a member of a political organization outside the army. The question whether an organization is political or not can, of course, only be answered by the Bulgarian authorities. The delegation did not consist of conscripts but of two captains working at the Ministry of Defence.

Poland: Here conscripts serve 18 months. The Polish army also suffers from a financial shortage which does not enable it to equip conscripts very well. Some garrisons are even considering premature release of conscripts. Regardless of this fact the authority of the army is quite high among the population. There is no social organization in the army nor fixed structures dealing with the protection of conscripts' rights. Nevertheless, a "man of confidence", who is under the protection of the law, is elected at garrisons to defend conscripts' interests. At some garrisons, military meetings are held where the current problems with the commander are discussed.

CIS: The situation here is complicated. Conscripts are one of the categories suffering the most from the break up of the Soviet Union and the overall crisis. Apart from material hardship, conscripts may get involved in the growing number of conflicts in the CIS (Nagorno-Karabakh, Georgia, Moldova, Tajikistan). Many garrisons are suffering from food shortages.

Clashes between conscripts of different nationalities are becoming sharper. Young people are refusing to enter the army (the call-up plan is being fulfilled by only 70%).

According to the most recent information, army structures that want to ensure conscript rights are being created, such as the Council of Young Soldiers. Since the second half of the 1980s, the organization "Shield" has been functioning in the army. The leader of Shield is a member of the Russian parliament for the Democratic Party of Russia. It's unclear whether Shield still exists and if so what kind of activity it carries out. The Council of Conscripts Mothers, which brings together the mothers of conscripts who died on duty, also enjoys great authority. Among other things, it called for an amnesty for conscripts who evaded military service.

Romania: In January 1990 the period of service was shortened from 16 to 12 months, but the following March it was increased to 14 months in order to keep "stability in the army".

Meanwhile, in "democratic" Western Europe: In the southern European countries in particular conscripts have no rights. For example, the French organization IDS ("Information pour les Droits du Soldat") can only organize information meetings on Sunday nights in railway and metro stations. In Spain and Portugal organizations of civilians concerned about conscripts' conditions have recently been formed. In Italy, Greece and Turkey there are no known conscripts' organizations. And, for example, it is still forbidden for the Austrian Union of Democratic Soldiers (VDSÖ) to distribute its publication in the barracks. ★

Lesbians and gay men in the United States army

THE ECCO conference was also attended by the American Citizen Soldier organization, which has existed since the Vietnam War. It has supported and still supports, GIs who refused to fight in the Gulf War and has taken up the fight against racism. Citizen Soldier is currently involved in a campaign over lesbian and gay rights in the US army. The notes below are based on Citizen Soldier's report to the Prague ECCO conference.

According to US Department of Defence Directive no. 1332/14: "homosexuality is incompatible with military service. The presence in the military environment of persons who engage in homosexual conduct, seriously impairs the accomplishment of the military mission".

The enlistment contract involves explicit statements that the enlistee is not homosexual or bisexual.

In fact, however, tens of thousands of Americans who are homosexual have served and continue to serve in the US armed forces. The result is a permanent witch-hunt. Over the past 10 years over 13,000 GIs have been discharged for homosexuality. Military and civil police work closely together. They send undercover agents into clubs and discos that cater to gay men or lesbians. Soldiers already facing trial for sodomy are used as informers. For some reason female GIs are three times more likely than males to be discharged for homosexuality. In the Marines the rate climbs to eight times as high. ★

After the fall of Jajce

AFTER successfully resisting a five month siege, the Bosnian town of Jajce fell to the Serbo-Yugoslav army on October 29, only after bombing from the air. Of course, Radio Belgrade has denied that the Serb air force took part in the fighting (which would have been contrary to the undertakings made by Serb leaders in Geneva to cease using combat planes against Croat and Muslim civilians).

**SLAVKO MIHALJCEK —
November 6, 1992**

HOWEVER, speaking on the telephone, inhabitants of Banja Luka, the Serb army's biggest air base inside Bosnia, confirmed that many sorties had taken off from the base in the last days of the siege of Jajce.

The loss of Jajce is a big blow to the Bosnian population. The Red Cross has indicated that tens of thousands of refugees have fled under fire towards Travnik which is already overflowing with some 30,000 previous refugees. If the Serbo-Yugoslav army continues its advance, Travnik's poorly armed self-defence

A symbolic town

THE small town of Jajce has been a symbol for generations of Yugoslavs. Liberated by the Communist partisans from the Germans and the Serb Chetniks — who had already massacred tens of thousands of Muslim civilians in the region — it was here that the Constituent Assembly of all the Yugoslav peoples proclaimed the Federal Republic of Yugoslavia in November 1943. ★

forces will not be able to resist for long. The very survival of some 200 to 300,000 Muslim and Croat inhabitants of central Bosnia is threatened; their situation is made even more precarious because neighbouring Croatia, where there are already more than 1,800,000 refugees, is refusing to accept more.

The tone of the military communiqués coming out of Belgrade is highly disturbing. They talk of the decisive battle with the "Islamic enemy". Serb military officials are no longer even trying to deny the massacres of Muslim civilians denounced by the Mazowiecki Commission. According to Belgrade's official radio, the mass graves, which can be smelt near the besieged towns, do not contain the bodies of civilians executed in cold blood but "the bodies of hundreds of Islamic fanatics who threw themselves disarmed against Serb fire".

In the background to these battlefield developments is a clash between Milosevic's regime in Belgrade and the prime minister of the rump Yugoslavia, Milan Panic, who is now supported by the Serb democratic opposition and the peace movement. The dictator and his party urgently need to make territorial gains to remain in power. On the other hand, Panic and his supporters want a ceasefire in order to restart negotiations and economic relations in the territory of the former Yugoslavia.

Decisive power struggle in Belgrade

These two orientations cannot be reconciled and a decisive power struggle is now underway in Belgrade. After a sharp 90 votes to 20 defeat in a motion of censure in the federal House of Deputies (dominated by a coalition of Milosevic's party and Seselj's fascists) the federal government would have had to resign if it

Milosevic's police

MILOSEVIC's 48,000 strong special police force is equipped with heavy weapons and armoured cars. A warning was recently given to "traitors of all stripes" (the Federal government, Serb oppositionists and wavering military men). At the very moment when Federal prime minister Panic was meeting Croat president Tudjman in Geneva, the Serb police stormed the Federal police headquarters in Belgrade. The aim of this operation was to give a show of force, but also to seize documents that would prove that the Yugoslav war in all its phases has been ordered and led by the Serb dictator. ★

had gone on to lose a further vote in the Upper House, in which an equal number of Serbian and Montenegrin deputies sit.

To general surprise, however, the Upper House voted down the censure motion by one vote. This was due to the votes of the Montenegrin deputies, under Russian influence. The previous Sunday evening, the Moscow news agency had warned Milosevic against "an adventure that will be a catastrophe for the Serb people".

Milosevic continues offensive

Despite this setback, which may open the way for new elections in Serbia, Milosevic has continued his offensive. His formidable military machine is continuing to lay waste whole areas of Croatia and Bosnia. Over the weekend of October 31-November 1, some regions that have been "cleansed" of their Croat and Muslim inhabitants proclaimed their fusion with the "Serb fatherland".

Milosevic has recently reorganized his

police forces with the unconcealed aim of unleashing a massive repression inside Serbia if needed.

The terrible economic and social cost of this ever-spreading war has resulted in deepening social despair. The violence that this releases has been used by the lumpen Communist regime against Muslims, Croats and Albanians. However any significant defeat for the Serb army in Bosnia increases the likelihood of a social explosion inside Serbia; a social mobilization would, in its turn, lead to the disintegration of the army.

That, at least is what was passing through the mind of an army spokesman when he wrote: "How far will the regime go in subordinating the political system to its own narrow caste interests and how would the army react if there were a social explosion?"

"When hungry people start attacking supermarkets there will only be two parties left in Serbia: those who no longer have anything and those who defend their privileges. The outcome of the conflict is completely uncertain." ★

The Panic alternative

THE possibility that Serb dictator Slobodan Milosevic may lose his internal power struggle with the rival duo of Milan Panic and Dobrica Cosic, respectively prime minister and president of the rump Yugoslav Federation does not, unfortunately, herald an approaching end to the crisis in the Balkans.

Panic, an American businessman, was brought in by Milosevic himself to be the acceptable face of Serbia to Western official opinion. In the eyes of Western diplomats a more amenable government in Belgrade would be highly welcome. From the Serb side, such a government could perhaps negotiate an end to sanctions and diplomatic isolation without surrendering too much of the "gains" of the war.

However, it is by no means clear that Panic/Cosic will get the upper hand over Milosevic. Furthermore, their present willingness to negotiate with all the adversaries of Milosevic's Greater Serbia policy — including leaders of the Kosovo Albanians — does not tie them to specific and concrete concessions.

Cosic was at one time the ideologue of Milosevic's Greater Serb policy. The Panic/Cosic ticket, meanwhile, enjoys the support of the current and former heads of the Yugoslav army. The former, Zivota Panic, bears responsibility for, among other things, the destruction of the Croatian town of Vukovar in November 1991.

While individuals can, of course, change their allegiances to save their skins, it is unlikely that the Yugoslav army as a whole would be inclined to contemplate a democratic settlement of such "internal" Serbian matters as the issue of Serbia's Albanian majority province of Kosovo. Nor is it obvious that Panic/Cosic could control the activities of various armed militia spawned by the Milosevic regime.

Nor is Milosevic the only Balkan leader guilty of an expansionist policy. The Croat leadership, for example, is pursuing a Greater Croatia. It should, furthermore, be borne in mind that there are a whole series of interlinked flashpoints in the Balkans and the surrounding countries; thus the solution to the crisis does not lie in Serbia alone. — C. M. ★

Collor falls but his policies remain

THE vote by 441 parliamentary deputies on September 29 for the temporary removal of Brazil's President Collor to be judged for "the crime of responsibility" for corruption in the Senate was the culminating moment of a political episode that no one had foreseen at the beginning of the year.

GUSTAVO CEDAS*

AT THE first National Congress of the leftist Workers Party (PT), at the end of 1991, there was a big debate on whether the party should take up the slogan "Out with Collor"; the majority decided against. At the same time agreement was reached on opposition to Collor's programme of neo-liberal economic reforms.

A few months later the question returned in a different form. From a series of sources there came information regarding the existence of a corruption network in the federal government starting with the president and going through his close friend and treasurer of his election campaign, Paulo Cesar Faria, known as "PC".

The scandal really broke when the president's younger brother denounced him publicly after months of family disputes

over economic and political interests. Then came the first interview with this brother in the weekly *Veja*, followed by a media race for further juicy details, all of which further incriminated PC and, more and more, Collor himself.

The PT's parliamentary deputies immediately called for the formation of a Parliamentary Investigation Committee (PIC) to look into the matter.

The proposal was treated with disdain by the other parties, but through force of public opinion parliament had to give a satisfactory reply to the various denunciations and revelations.

At the beginning, the right accepted the creation of the PIC in the hopes that it would come to nothing, like previous initiatives of this kind.

However the revelations by the press and PT deputies continued and the mounting pressure convinced growing sectors of the centre and right to carry out the investigations to the bitter end and prosecute Collor. Many calculated that this question would heavily influence the municipal elections of early October.

There is another factor which explains this attitude. There was tremendous discontent in some business sectors over the amount and growth of the government's corruption and its subversion of traditional patterns of payment for influence.

In this Collor, as an outsider in relation to the traditional government patterns of the Brazilian bourgeoisie, was trying to consolidate his own base. During the 1989 election campaign, Collor had described himself as the only one capable of defea-

ting PT candidate Lula in the elections — and he received large financial support from various enterprises for his campaign.

As such, his corruption served not only to maintain his luxurious lifestyle, but also to buy the support of long term friends and allies. Hidden in a web of ghost companies in Brazil and abroad, the Collor-PC network was stripped bare when revelations came forth from the enterprise sector itself, and when the "bank secrecy" of various suspects was over-ridden. A number of "phantom" bank accounts were discovered, held under false names with the signature of people from the Collor-PC network — accounts which allowed the network to engage in transactions valued at several millions of dollars without being noticed.

This money came from "coimas"¹ paid by enterprises to the network and through various illicit transactions originating in the government itself. It was used to finance political campaigns and the luxurious lifestyle of the president and his family. For example, it was discovered that the management of Autolatina (the Volkswagen-Ford conglomerate in Brazil) had directly financed a rightwing federal candidate in the Amazon region; and that the president had used money from PC (some \$3m) to upgrade his garden by adding eight artificial waterfalls, among other things; members of his family received daily "ghost" deposits with a value of several thousands of dollars.

Ethics in politics

Opposition deputies and journalists set the tone for several weeks. This situation changed when the Movement for Ethics in Politics was founded through an initiative by CUT, OAB, UNE and PNBE²; but most of all as a result of the youth mobilizations organized by student organizations.

The Movement for Ethics in Politics was organized through the national structures of the CUT; it organized demonstrations across the country, giving them a cross-party character.

But it also determined the character of the mobilizations: they reflected indignation against corruption more than they did rejection of the neo-liberal programme or the economic policy. This is not to say that unemployment, the drop in real salaries,

*Gustavo Cedás is an activist in the CUT trade union confederation in Sao Paulo.

1. It is traditional for Brazilian enterprises to have a "second account" which is lavishly employed to obtain favours from officials.

2. CUT: United Workers Confederation — is Brazil's main union confederation with some 4.5 million members. It has links with the PT.

OAB: Brazilian Lawyers Association.

UNE: National Students Union, which has a left-wing leadership. Its president is from the (formerly pro-Albanian) Brazilian Communist Party and the PT is strongly represented.

PNBE: National Small Business Thinktank.



the deep recession, the destruction of a part of industry, and so forth did not figure prominently among the concerns of the immense majority of those participating in the demonstrations. But the concrete "programme" of the mobilizations was: end corruption and, therefore, that the Congress should impeach Collor.

Nonetheless, this movement for ethics and morality in political life signals the rebirth of the will to struggle of significant layers of the masses — and a level of mobilization that had not been seen since the "Directas ya!" campaign of 1983-1984³ and Lula's presidential campaign of 1989.

In this sense, this campaign must be seen as part of the broad democratic struggle in our countries, where both the economic model and the political system are exclusive and elitist. Consequently, pushing out a corrupt president through mass mobilizations has been recorded as radical democratic victory in the mass conscience of Brazil and other countries.

Youth resurrection

High school and university students, youth in general, took to the streets for weeks on end in cities across the country, winning over mass support for their demonstrations.

There are at least three factors which contributed to this student-youth resurrection after an absence which had lasted since the end of the 1970s: on one hand, youth had been hit by unemployment and the lack of opportunity; on the other hand, there was the growing privatization of education and the increase in fees. These two "sociological" factors may explain the readiness of youth to protest, even if they were not directly raised during the protests.

The third phenomenon was more explicit: the impact of a Brazilian television series, "Años Rebeldes" (Rebellious Years), which related on the main television network, *Globo*, the true story of a group of young women and men of the 1968 generation that struggled against the dictatorship and joined the guerilla forces.

From the series, the demonstrations took up the songs of the 1968 period. The youth introduced the novelty of painting their faces (for this, they were labelled *carapintadas* — "the painted faces") and making lighthearted and playful screaming the main weapon of the street demonstrations.

The raising of the "ethics" question tends to force people to go beyond Collor, and all politicians have been examined under a magnifying lense.

The most notorious case is that of Orestes Quercia, president of the main bourgeois party, the PMDB⁴. This party has the largest number of federal deputies, and even before the fall of Collor it was

coming under investigation for its activities when it governed the state of São Paulo (1986-90). The same patterns of corruption were soon discovered, and this has seriously placed in doubt Quercia's candidacy for the 1994 presidential elections.

The CUT was seen by public opinion as one of the major forces behind the mobilizations. As a national non-party body it was able to provide the framework for a broad movement of "civil society".

Nevertheless, this good standing in "public opinion" concealed a weakness of its specifically union activity in the present period.

The combined application of a series of neo-liberal reforms (privatizations of state firms and public services, liberalization of foreign trade and deregulation of the labour market) and unprecedented recessionary economic policies meant that the class-struggle trade union movement has lost its capacity to respond on all fronts to the offensive by Collor and the employers.

As a result, the CUT despite its moment of glory in the impeachment campaign remains unable to respond to the specific measures of the government.

Mass unemployment

In the Sao Paulo region alone, unemployment has reached 1.5m, and the informal sector of the labour market counts nearly a half of the workforce in its ranks. This pattern is paralleled across the country.

The changes that workers have had to face have been accompanied by an aggressive propaganda barrage. The government and employers insist that they are trying to modernize the economy and overcome the "old model" responsible for the deep economic crisis of the 1980s.

Much of the population has a negative — and quite justified — view of the former economic model — which they see as a source of bureaucratic inefficiency, corruption, waste and clientelism, financial speculation, and involving subsidies and protection that defend the high profit levels of businesses.

The ruling classes seek to build on this sentiment; they argue: "the state enterprises are a sources of corruption — it is necessary to sell them off" or "let's open up to imports so that the consumer has access to the best and the cheapest goods."

Indeed, if these are not the solutions, it is necessary to propose others. The class struggle trade union movement has suffered both as a result of the recession and massive unemployment and as a result of its inability to rise to the task of presenting an alternative to the previous capitalist model, which they have at least not made the mistake of defending.

While there has been considerable strike

activity during Collor's two-year reign, this has been in decline in recent months, reflecting the demoralization of workers after a series of defeats.

A milestone in this process was the defeat of the CUT only a few days before Collor's fall in the union elections of the Volta Redonda (in the state of Rio de Janeiro) metal workers. Workers of the CSN⁵ state steelworks maintained a militant stand against the dictatorship and its economic policies throughout the 1980s — and where a few months after Collor's inauguration they carried out an all-out strike that lasted for over a month.

Renunciation of rights

In the recent election, it was the candidates supported by the enterprise management that won, with a pro-privatization campaign favorable to the renunciation of the workers' "acquired rights". A symbol of the country's state enterprises, the CSN immediately joined the list of those slated for privatization.

There has also been a decline in the traditional campaigns around wages and, with the exception of urban public transport, there have been no big strikes in 1992 even by traditionally militant government workers, who have seen their real salaries plummet under Collor.

In the pro-impeachment front, There was agreement amongst supporters of Collor's impeachment that he would take the "constitutional exit" — and be replaced by the vice-president Itamar Franco, as determined by the Constitution.

Nevertheless, this did not resolve the issue of the replacement government and its orientation.

Right away, the rightwing and centrist forces in the pro-impeachment front, as well as the mass media, closed ranks to guarantee a new government fundamentally in continuity with the former. International organizations such as the IMF also exerted pressures to this end.

Itamar had been alienated from the government for several months as a result of Collor's "imperial" style of government, which didn't leave any place for a vice-president.

He went so far as to seek out the widest possible agreement in the Congress — which meant temporarily suppressing contradictory positions on economic policy.

Collor's style of government gave him the ability to attack the working class movement's rights, as well as putting for-

3. A campaign for direct presidential elections.

4. PMDB: Party of the Brazilian Democratic Movement, a party with centre and centre right factions.

5. CSN: National Siderurgical Company. Founded by Getulio Vargas in the 1940s it is one of the flagships of Brazilian industrialization.

ward economic measures which would seriously affect business groups and sectors. Collor's "authoritarian style" provided a necessary project governmental relay for the neo-liberal project.

As such, the ouster of Collor is a first big defeat for the neo-liberal project in Brazil in that the bourgeoisie has lost the ability to govern on the offensive.

The impeachment of Collor was clearly recognized as being the work of the PT, decisively opening up electoral space for the party.

Less than one week after the impeachment vote, the PT became the main party on an electoral level in the country's capital cities, given that it will be contesting the second round in nearly all the major cities.

In discussions on the possible aftermath of Collor's fall which took place the week before the 29th, the PT's National Executive voiced several positions — going from the proposal that the PT should fight for "new elections" to advocacy of the idea that the PT form a new "centre-left" government with Itamar. Eventually, it was decided that no position should be taken before the vote in parliament.

After Collor's removal, the party was divided into two camps both sharing the idea that the PT would be in opposition to Itamar, describing it as a conservative government.

A coalition government?

On the question of participation in the Itamar government, it was decided that "the PT will not participate, and does not authorize any of its members to participate and will implement disciplinary measures against anyone who does."⁶

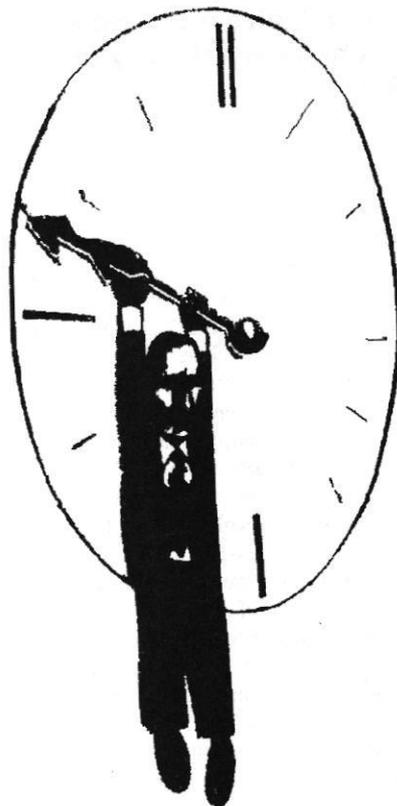
What content is the party giving to this definition of "opposition party"?

Different currents in the party defended (but were defeated on this point) the idea that whether for "ethical" motives or for political ones the PT should see this government as a transitional one, and put forward the call for new elections.

There is a question mark over the 1989 elections — in which Itamar was elected vice-president through various fraudulent activities. Moreover, it is clear that in his rise to power Itamar was implicated in the neo-liberal reforms initiated by Collor. As such, the time is ripe to carry the struggle for ethics to the end, uniting it with the struggle against the neo-liberal programme.

Already in his public statements, Lula is acting as if the PT is giving Itamar a chance. In this way, Lula is responding to a certain "sense of responsibility" that public opinion demands of him, without however accepting joint responsibility for the new government.

As such he has said, "If Itamar is wondering if the PT will be in opposition, I would reply that if he continues the recessionary policies of Collor, if he does not take any measures to promote economic growth, if he does not pursue a policy towards the rural areas aimed at resolving conflicts, if he does not change the agreements on the foreign debt, and if he does not carry out a policy of fiscal adjustment — so that those who have higher income must pay higher taxes — and if he does not



implement a policy of re-distribution of wages: then obviously the PT will be in the opposition."

And also, "while we will not participate in the government, we clearly say that we are prepared to discuss with other parties a minimum emergency programme that could be approved by the National Congress, in order to improve the situation in the country."⁷

Notwithstanding these debates, there is a common understanding in the PT that the fall of Collor in itself is a defeat for neo-liberalism, but that the party's work does not end there; and that mass forces, strengthened by the impeachment movement, can stop the advance of this project.

As such, the leadership of the party has begun to define the "minimum programme" which would lift the country out of the crisis and be presented to "the Nation" (Congress, the government and society).

In the National Leadership meeting of October 24-25, the PT defined a programme of immediate demands. These include:

- Continue investigations around questions of corruption.
- Revise the agreements on the external debt negotiated by the Collor government (with the IMF and the private banks).
- Fiscal reform.
- Renew economic growth.
- Food programme for Brazil's poor⁸

The road ahead is full of twists and turns. It is obvious that the new government plans to continue applying the neo-liberal project, which will immediately lead it into conflict with the PT's worker-popular base.

Moreover, with a monthly inflation rate between 22 and 27%, with a huge public deficit, with the servicing of the external debt consuming a large part of income, with the level of economic activity down to that of 1987 (with the per capita GDP some 7% less than in 1980), the Itamar government does not have tremendous room for manoeuvre.

Internal government conflicts

On the other hand, given its make-up the new government will be hit by many explosive internal conflicts — which means that the new situation is very favorable to renewed mass struggles, after the long period of setbacks provoked by the recession and the neo-liberal policies.

Already, the CUT National Executive has declared there would be no peace for the new government, and that they would be putting forward a list of emergency demands for the masses, including over questions of salaries, refusal to pay the external debt, a halt to the privatizations, immediate discussions about the changes to collective bargaining procedures, thorough investigations of corruption, and so forth.

Whatever the ambiguities, the dynamic of the discussion around emergency measures will probably lead to serious political conflicts; the PT and CUT are well placed to demonstrate that there are but two projects for the country: the conservative neo-liberal project and the people's democratic project.

This means that the success of the PT and CUT's initiatives will create an increasingly fragile Itamar government — including from within. Then the PT will be faced with the task of not only defending a minimum programme for the crisis, but also providing a political way out. ★

6. Resolution of the National Executive of the PT, October 13, 1992.

7. *Brazil Agora*, October 12-25, 1992.

8. *Folha de S. Paulo*, October 25, 1992.

Sandinistas face fundamental choices

SINCE the electoral defeat of the Nicaraguan Sandinista National Liberation Front (FSLN) in February 1990, two major questions have been posed: To what degree have the gains of the revolution been maintained?; and secondly, has there been a rapid process of counter revolutionary restoration?

In spite of the political defeat, the changes in the balance of forces have not led to a definitive crushing of the social forces and the party that had been the key to the Sandinista revolution, the FSLN.

VICTOR PRISMA

WE DO NOT intend to discuss whether or not the revolution has continued; the answer to that would of course be "no". The point rather is to see what has been happening in the political space opened up by the social forces who led the revolution. This will give us some idea of whether or not the crisis and stagnation that these forces are currently experiencing is ending or if on the contrary, they are deepening and thus opening the road to restoration and the consolidation of bourgeois domination.

Political positions and material interests can contribute to whether political space is either opened or closed as well as whether the social movements will survive or not. The recent evolution of the FSLN must be looked at from this point of view.

Political disorientation

The FSLN is suffering from a process of political disorientation that began before the electoral defeat and had worsened since then. Tensions have mounted as the result of conflicting social interests which have not been subsumed into policies that can appeal to the masses and reorient the FSLN itself.

This has meant that the social movements' efforts have been thwarted and the political space opened by the political revolution narrowed, leading to the restoration of bourgeois hegemony.

The ten years of Sandinista rule in Nicaragua saw an evolution from an authentic revolution to a situation where state interests prevailed over the popular interests. This logic affected the conduct of the war, the conservation of power, economic policy, and most importantly, the relations with the bourgeoisie aimed at consolidating a space for socio-economic development and

modernization.

The erosion of the social base of the revolution, provoked by the war and the economic crisis, favored a change in the balance of forces which led to the electoral defeat of the FSLN in 1990. A rightist coalition (the UNO), intent on a counter-revolution took over control of the country.

Shocked by its defeat, the Sandinista leadership launched an appeal to defend the conquests of the revolution with the hope of preserving its gains.

But what gains were there to defend? They were mostly of an institutional political nature. The FSLN tried to preserve the political rights won and the remnants of institutional power in the following order: the constitution and the institutions; the army and property distributed by the Sandinista government that is, the agrarian reform and the property acquired by the FSLN.

No mention was made of the economic model nor the institutional changes which flowed from them nor the social policies or of regulation, and still less of the influence not to mention the participation of the poorer layers in economic management. Why was this so? Because the model was worn out and already by 1988 had been replaced by an adjustment programme strongly marked by monetarism.

Decline in social programmes

Social policies decreased along with the regulating role of the state. Popular participation in decision making had been very weak — something recognized by Daniel Ortega himself in an interview published in 1991 when he said that if the FSLN had won the elections its policies would not have been very different from those of the current government except as far as "social sensibility" is concerned.

The revolutionary heritage was in any event only presented in its institutional aspect. This was explained thus: "We obtained a national state, a constitution, a democratic, parliamentary political framework and an army." All of which certainly did not exist before. This is why their preservation was identified with the continuity of the revolution.

The government, in spite of several hesitations which were the result of foreign and domestic pressure, wound up respecting the institutional framework demanded by the FSLN. Firstly for reasons of governability — it was necessary to pacify the country — but also for tactical reasons — the government concentrated all of its efforts on economic reforms.

Political considerations demanded these reforms and the most controversial political reforms, such as reform of the constitution, of the army, of the police were postponed for a second phase. The social protests in 1990 and 1991 and the ungovernable situation that the country was in afterwards made the government and the United States understand the real balance of forces within the country.

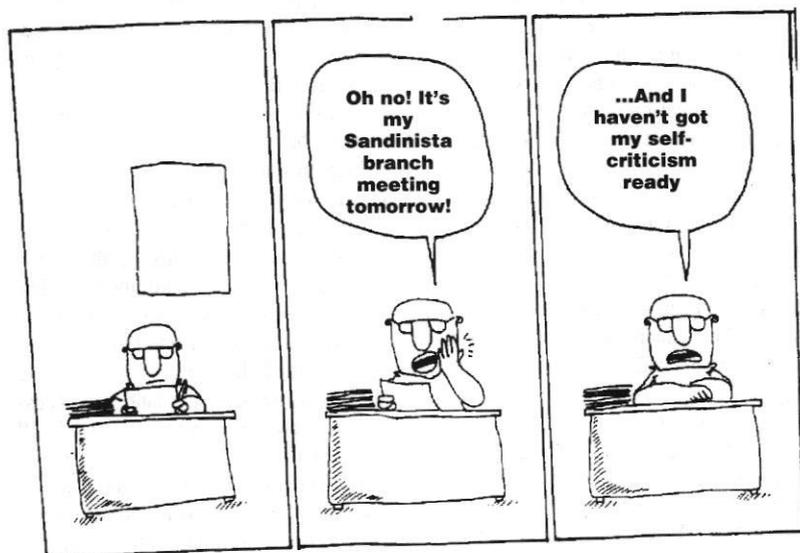
Because of this, the counter-revolutionary character of the government was not clear to the Sandinista leadership. The acceptance of some institutions and the freeze on changes gave rise to an agreement, underpinned by the existence of similar views on economic questions. The label "counter-revolutionary" was henceforth used only for the Somozistas and the far right. The government was described as being in the centre and the FSLN entered into negotiations with it.

Meetings with government

More than eleven meetings have taken place between the government and the FSLN since 1990 including at least eight focused on social conflicts. Two dealt with foreign aid, and one with the *concertation* [the negotiations that the Sandinistas held with the opposition] as well as meetings on the protocols of the transition.

The agreements between the government and the FSLN on the institutions, the army and economic policies formed the basis of an understanding that revolved around the executive, the army, and the FSLN leadership in the name of stabilization. Without this, it was thought, the economic reforms could not be carried through. Nicaragua would not be able to escape from the spiraling crisis and the FSLN would not benefit from the instability in the event that it came back into the government in an unstable and crisis-ridden situation.

It was on this basis that a "centre grouping" was formed within the FSLN. To a certain extent it represented the continuation of policies begun in 1988 involving an



orthodox economic vision; social considerations taking a back seat to state interests; and the search for stability and development in alliance with certain sectors of the bourgeoisie.

Other post-electoral factors contributed to the development of these positions within the FSLN. The first of these was the fact that the FSLN as an opposition party did not manage to develop a strategy that could appeal to the masses in the framework of democratic political struggle. There were two reasons for this. The first was structural. The revolutionary project was already in crisis in terms of economic and social viability; its image was completely damaged after the adoption of monetary measures — the reserves were exhausted. It was only thanks to the firmness and centralism in the state leadership and in the war that the project seemed to still maintain a strategic coherence.

The second reason for this absence of strategy is political. The FSLN did not have enough political and theoretical reserves to enable it to rapidly adapt to defeat, opposition and the search for a redefined identity.

Chaotic period

The period from February to October 1990 was particularly chaotic. Even if the FSLN leadership did not seem to be directly threatened, the authority of its leaders appeared to be diminished as a result of the scale of the defeat and their lack of political vision. A feeling of mistrust, mixed with declining authority and credibility arose concerning a leadership that once was considered infallible.

The party was full of rumors about the effects of the avalanche, revealing a deep malaise that had before been obscured by party discipline. It was only on June 17, 1990, the date of an evaluation meeting of FSLN cadre who put forth a critical balan-

ce sheet, that this dynamic towards a grave political crisis ceased.

However no solution to the basic political crisis was in sight, as is shown by the contradictory statements of FSLN leaders on imperialism, relations with the government and the attitude to take to the latter's economic plans.

The attempt to hide reality behind the notion that the FSLN was a political orphan was particularly tragic. The Front, attached to a fetishistic conception of power, attempted to cling onto its institutional positions to the detriment of an analysis of the socio-economic forces at work.

The FSLN subordinated defence and articulation of the material interests of its mass base among the poor to a scheme for political stabilization of the country. Thus, the FSLN found itself politically disarmed and increasingly dependent firstly on conservative political stabilization and then to preserve that, on the neo-liberal economic policies of the government.

This was clear in the FSLN's support for privatization, which placed the unions and social organizations in the position of having to negotiate from a defensive position, and in its disorientation in the face of state restructuring and the deregulation of the economy.

The leadership thought that it could manoeuvre in the upper circles and contain the capitalist restoration process. The slogan "govern from below" was only an empty compensation for the rank and file upset by the defeat after so many sacrifices.

Nothing stood in the way of the rapid economic restructuring which restored the power of the right and the strongest sectors of the employing class.

All social roles were changed; a high level of conservatism and cooptation of personnel was introduced into the army, the police, the state functionaries and even the FSLN itself, as well as in its satellite orga-

nizations. A *Barricada* editorialist crudely affirmed that "we have leaders who think that in the new situation the moral capital of the FSLN must be traded for money and arms."

The state created by the revolution with the aim of assuring a certain class equilibrium which the FSLN had also intended to use to preserve the revolution's gains, is leaking from all sides. Business, the preservation of certain places in the political system, the cooptation of functionaries, the development of the market, and the liberalization of the economy have gradually reduced the progressive and regulatory aspects of the state. The free market needs the establishment of order and the maintenance of social hierarchy that its tendencies are now creating.

A bourgeoisie is being reformed and the FSLN is tied into this process at several levels. A section of the Front is linked in via the armed forces another via the Sandinista parliamentary group

The social organizations close to the FSLN — the National Organization of Farmers and Ranchers (UNAG), the Sandinista Workers Union (CST), and the Association of Rural Workers (ATC) — have for their part contradictory interests that are not always easily reconcilable with those of the former group. On the one hand these organizations must express the demands of their members — victims of the governments policies. This puts them into conflict with the Front's goals of stabilization.

Surviving market conditions

On the other hand, the Sandinista organizations that had received shares of property thanks to the privatizations or who were already owners must survive under market conditions and will need the appropriate measures and resources. They make demands and exercise a certain amount of pressure, but they also negotiate in function of their own corporatist interests by making shifting alliances with the government or other social organizations. This introduces elements of instability into the social base of the FSLN, which in turn finds itself pulled apart in different directions.

Besides these three big interest groups, there are the large marginalized masses, the unemployed, recently laid off people, the informal sector, the workers and peasants who cannot survive under market conditions, not only for lack of opportunities, but also because they are crushed by the dominant economic policies which leave them no alternative. It is this sector, which is the majority, that has protested and revolted, that has periodically negotiated, but which has only obtained the most ephemeral gains; they thus find themselves in a vicious circle.

These different interests do not bring the

same weight to bear. Thanks to their situation in the pyramid of power, the first two groups are the strongest.

The third and fourth groups have the least weight. Although they represent the majority, they are subordinate to the army and the deputies in the logic of stabilization, the market and the recomposition of the bourgeoisie.

All these groups and their contradictions are found within the Front. The absence of a clear strategy and an overall programme to confront this situation has led the leadership to adopt an empirical, short term, attitude. It makes political calculations for the survival of the dominant groups in the Front while fighting to preserve its relationship with the government. The FSLN also needs to champion mass discontent if it is not to lose its social base. All this explains the leadership's zig zags from right to left.

The FSLN is torn between its project of a pact of national unity for the development of the country under entrepreneurial hegemony, with all of its retrograde social consequences, and a project of mass development and participation to limit the bosses' hegemony.

These are the source of the contradictions which exist between the various interest groups which make up the FSLN. The dynamism that the social movements have periodically demonstrated has prevented the Front from consolidating around a new position even if these mobilizations are not the centre of the FSLN's strategic political recomposition and have not been able to check the Front's empiricism.

Social energy exhausted

But the social energy of these social movements is not inexhaustible. The FSLN has a limited amount of time to regain its influence and emerge from the current stagnation that the revolution finds itself in concerning the needs of the masses.

Neither the FSLN's congresses, nor the meetings of the Sandinista assembly (their central committee), have been able to resolve these contradictions which can only be solved by the social movements.

During the three years that the right has been in the government, there have been strong protests against the measures taken to stabilize and restructure the economy. While the *concertation* was being launched, the social movements carved out a significant autonomy.

The enormous expenditure of energy by the FSLN rank-and-file was not utilized to refound a strategy and to use this base as support for the elaboration of a participatory model aimed at checking neo-liberal restructuring under the total control of the bosses.

The *concertation* was reduced to conflict

negotiation which broke the dynamic of social movements. This strengthened negotiating positions but not the coordination of the masses' interests. This process was followed by a political evolution resembling that of the meetings between the FSLN and the government.

In 1991, the fight over property again mobilized organized mass sectors. The participation of the workers in the privatizations after the 1990 struggles distracted their efforts from the consequences of the economic policy which, in fact, tended to undermine the survival of distributed property.

The blows of the adjustment plan underlined the need for opposition to the government's policies, but the interest groups within the FSLN also began to become more important. The "centre group" put itself forward as the pivot for the FSLN's renovation.

For the first time, the *de facto* subordination of the rank-and-file was subjected to an open bid to coopt them in the interests of the current political strategy and to definite interests tied to the national pact of development.

The reaction of the rank-and-file and to a certain extent the leadership which understood the risks of division, served to neutralize the centre and to reinforce the radical discourse capable of shoring up the mass discontent of the first six months of 1992.

At the end of 1991 and the beginning of 1992, the adjustment programme and the governmental reforms spotlighted the real character of the tendencies and the fact that socio-economic groups were organizing. The need to take a position on this was clear more due to the FSLN's disorientation and social pressure than from any specific group.

The 1990-1991 exhaustion of the urban movements brought important groups in the countryside. The catastrophic situation of the peasantry and the difficulty of socially and economically integrating the contras and former soldiers from the Sandinista army (EPS) created an explosive situation. Many groups took up arms again, supported by peasants who hoped to obtain gains by taking up the most radical demands. Occupations of the land, towns, and of roads proved that the government's policies could lead to an increasingly ungovernable situation because of the marginalization that was taking place.

Signs of ungovernability

While the state and the political system, especially the executive, lost all political and institutional capacity to master the situation, clear signs of ungovernability appeared.

The popular sectors felt disarmed in the face of the economic measures and the

changes taking place. During the first half of 1992, protest movements in several sectors developed. The truce agreed to by the unions after the second *concertation* in August 1991, had led to a relative peace in the towns, but in the countryside the situation threatened to explode.

The unions in the National Workers Front (FNT) which comprises the majority of social organizations close to the FSLN declared that the truce could not hold. The struggle for the defense of worker property and their living conditions began again, peasants joined the battle by demanding credits, guarantees for the land and access to national enterprises being privatized. All of this led to spontaneous convergences between *recampas* — demobilized veterans of the Sandinista army who took up arms, and *recontras* — former contras who also took up arms and peasants who were victims of the same problems.

Pressure to neutralize this social movement was enormous. The FSLN leadership threw all of its weight behind an attempt to steer the conflict onto the negotiating table. The government coopted and signed agreements. The army exerted selective pressure in order to control the movement and check its expansion. As a result it emerged divided, isolated and neutralized having only gained a few minor concessions.

The reaction to the adjustment measures and to the new economic model that this movement expressed were thus crushed. The energies that it represented were atomized. It was prevented from formulating new alternatives to the agreements made by the government and the FSLN by the knowledge that its room for manoeuvre was limited.

Prioritizing exports

On March 14, 1992, the government had a meeting with the FSLN leadership in the presence of Sandinista leader and army boss General Humberto Ortega. The government's proposals were totally centred around the need for stability, attempts to attract national and foreign investments and to develop the country.

These projects were to be carried out by pursuing the adjustment plan and transforming the country for the profit of the most internationalized sectors of the bourgeoisie — which means an inegalitarian model of development, subordinate to the exporting sector.

The FSLN found its back to the wall. To impose this agreement without destabilizing the government would have implied at least an alternative economic plan capable of re-establishing governmental policies even if these partial conflicts continued. Accepting the accords would have amounted to playing guard dog for the government. And this when, after four years of

adjustment plans — two years under the Sandinistas and two years under the ONU — nearly 70% of all Nicaraguans found themselves in a state of poverty.

In this difficult situation, the Sandinista Assembly met last March 28-29 to decide on which course to adopt. The discussion centred on the proposal made by the government and the FSLN's joining the Socialist International. The document presented by the leadership concerning economic problems proposed an agreement with the government based on a policy of national emergency to stop the crisis.

The document failed to take up the population's most pressing problems. On the other hand it only analyzed the applied policy from the point of view of "social cost", without any analysis whatsoever of the transformations they involve nor their consequences on social classes. Starting from the premise of "raison d'état" the document put the national interests above social actors. The government's policies seemed to be treated in a neutral manner similar to the Front's support to it.

The Sandinista Assembly rejected this document as too soft. A majority came out for the need to have policies different from those of the government in order to discuss with it. The "co-government" was rejected and it was decided to set up a working group which would develop the FSLN's economic response. A minority proposed "co-government" while another minority grouping came out for open opposition to the government.

The majority resolution was predictable

and signalled a repositioning of the FSLN in the light of the changing mood of the rank-and-file and the Sandinista social sectors during the last months. The distancing of Daniel Ortega from the party's moderates to shore up support amongst the dissatisfied rank-and-file is a symptom of the degree of malaise the Front is experiencing. But a closer look reveals that the change is minimal.

In fact, a Sandinista Assembly resolution from the 1991 FSLN congress indicated that the party is in opposition to the government and called for the setting up of a commission to develop an alternative economic policy. Nearly a year later, the same motion was passed.

The March 1992 meeting in El Crucero clarified certain things. The inertia that resulted from an ambiguous and rudderless policy strengthened the pro "co-government" tendencies and accepted the economic policies that have been applied. This in turn reinforced the weight of the parliamentary group, the army and the "centrists".

An ambiguity persists as to the possible realignment of the FSLN. But everything indicates that there will not be deep changes. The central problem is that in 1990 and 1991 the social movements acted in a way that might have modified the FSLN's political positions but without result.

This is one of the reasons why the FSLN does not have a collective position on some fundamental questions and has allowed small well placed groups in the power

pyramid to make decisions. This is why "centrism" is the dominant current in the FSLN and why there is a lack of clear strategic orientation.

Factional ambiguity

Likewise, alternatives cannot be elaborated if there is such ambiguity between the different groups within the FSLN. The elaboration of alternative economic and social policies presupposes the resolution of these internal contradictions. This is why the FSLN economic commission which should have drawn a balance sheet in July 1992 met twice without much result and has nearly ceased functioning.

These are the factors which have led the FSLN into a situation where it plays the role of intermediary between different interest groups within the framework of capitalist restoration.

In the absence of an overall strategy, the organization tends to function as a feudal network of interest groups with an essentially corporatist dynamic. The role of the leadership is to maintain the internal balance within the apparatus in function of the activism of its members rather than to present a policy based on a real consensus.

The resolution of these internal contradictions is and will remain difficult partly due to the sharpness of the contradictions, but also because they involve the transition towards a new type of party.

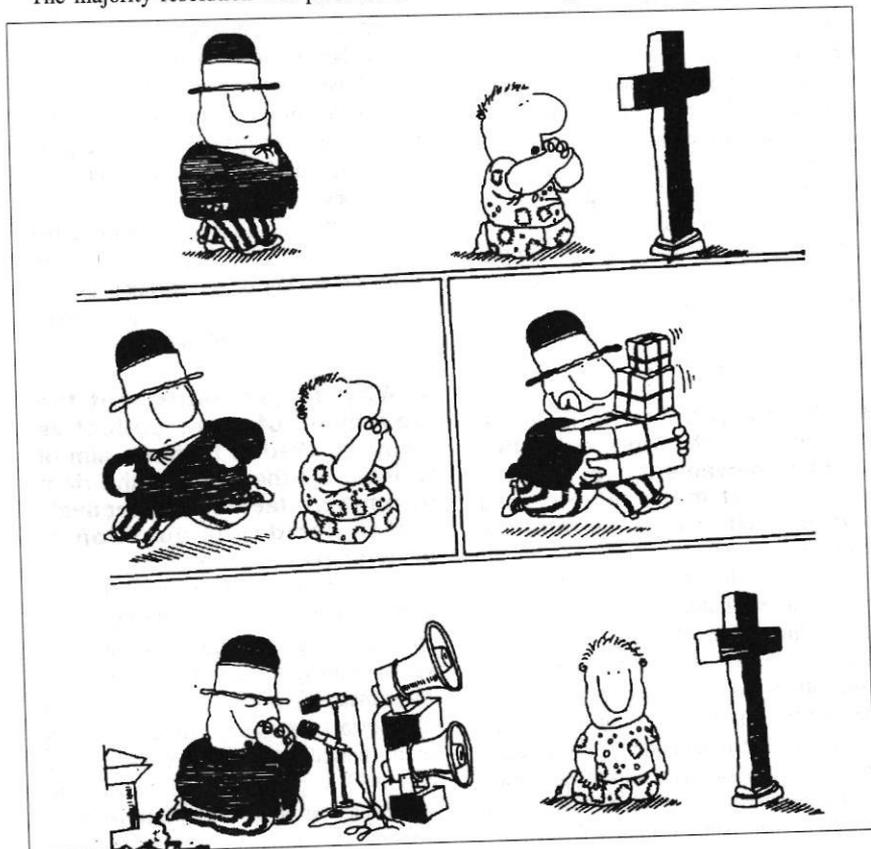
Collective and democratic decisions could tend towards the elaboration of a new programme, of a new coherence, and towards a renewal of leadership teams which will prepare the FSLN politically and theoretically for the new historical phase. But the FSLN may also be paralyzed by the internal balances.

The process of restructuring continues. In 1993, the economic reforms will have been completed and the government will be in a position to tackle the political reforms. The FSLN's disorientation, its lack of a programme and the successive neutralization of the social movements on which it could have based a political response has definitively cleared the way for the restoration of the old dominant groups. Any remaining obstacles to this are being rapidly cleared away.

It is perfectly possible that the sum total of the Sandinista revolution will be the refounding of the national state and the political system, but this means the restoration of the old class society.

The FSLN can become a bureaucratized party in which corporatist interests are predominant. But it can also be renewed as a party that will be an indispensable component of social equality and participation in the political system that it will create and continue to develop.

Practice will decide. ★



“The unions are my last hope”

IN HIS drive for power against the Communist Party-led Soviet regime, Russian President Boris Yeltsin was obliged to offer verbal support to all the country's democratic and national sentiments. These included the belief among some workers that the removal of centralized control from the enterprises should lead to a new emphasis on self-management.

One such worker was Natalya Kuzental; David Mandel interviewed her this summer to find out how she had fared in Yeltsin's first year.

When we met last fall, you were working as an engineer at a scientific-production institute that belonged to the Krasnaya Zarya electronics factory. You headed its work collective council and were active in the Leningrad Union of Collectives. Now I find you as head of the union at the Pargolov Factory. [The factory makes hydraulic mechanisms for agricultural machines.] How did this come about?

Last summer, a conflict arose over wages at the Pargolov Factory. The workers in the main production shop wanted to strike but the law on the resolution of collective labour disputes required that they go through a whole series of preliminary stages. When they reached the conciliation stage, they asked the Leningrad Union of Collectives for help, and I was delegated to represent the workers in the conciliation commission.

It was a funny thing. The Pargolov Factory was leased from the state by the work collective two years ago. And the lawyer who chaired the conciliation commission ruled that the proposed strike was illegal, since the workers' demands were addressed wrongly to the director instead of to the council of leaseholders that makes decisions on the wages system. I refused to sign that decision and wrote a special opinion, which, of course, was ignored.

As the fall drew near and the workers prepared to strike they again called me. They did strike and they also removed the director, whom they accused of various shady dealings and theft. In a leased enterprise, it's the work collective that hires the director. This was already their second. But we have a very clever law that states that an elected person who loses his job by decision of the collective is subject to cer-

tain rules governing layoffs. That means he has to be offered a series of vacant positions in the enterprise. The law also states that a general director has to be given five months compensation. He took the collective to court over this, and I acted as a witness for the collective.

Well, I ask you — what kind of job can you offer a director who has been fired for theft and financial machinations? No one would trust him with a managerial job and he's certainly not going to work as a janitor. But the court found in his favour. In the end, we persuaded him to leave of his own accord.

About that time the workers also decided to get rid of the chairman of their trade union committee. When the director went to court to have the strike declared illegal, the union chairman testified on the side of the director. So they were looking for a new chair and I was asked to put my name forward. I was elected on December 17, 1991, by the conference of the work collective from out of four candidates.

It's a relatively small plant by Soviet standards — 1,200 people. But the building is in good shape and the equipment is relatively modern. I've heard there are people interested in buying it.

■ Why did you decide to leave your work in the work collective councils movement, whose main goal is self-management and worker ownership, to head a union?

Actually, when the chairman of the council of leaseholders asked me to run, I said to him: “Why do they need a trade union in a leased enterprise?” But he and some others insisted. So I began reading the literature and saw that our Soviet literature says that trade unions are necessary under any form of ownership. I was drawn by my interest in self-management and in collective ownership. I thought I might be

able to achieve something there.

■ How does this leasing arrangement work?

The collective goes to the state authorities — it used to be the ministry — and asks them to lease the enterprise to the collective. But this is generally a fiction, since clever directors, through various tricks, end up paying only kopecks in rent. So it is at Pargolov. I'd say the collective was lucky to get the plant practically for free. The fixed assets still belong formally to the state, but the profits, the materials and all the product belong to the workers.

■ I see that the status of “state” property is unclear.

You've caught on! But the government now says it wants to restore order. They are forcing us all to open joint-stock companies. I read the new decree last night in the newspaper and I felt sick. On all counts, it is the opposite of everything we were fighting for. I won't bore you with the details, but all state plants by the start of 1993 must become open joint-stock companies. In the model company charter, the general director becomes head of the board of directors. That means the power of the administration is strengthened ten-fold, a hundred-fold.

The work collective has only one right: to choose one of three ways to privatize their plant. One method gives the collective a certain percentage of the stocks, but these stocks give the workers no voting rights. Under another, they can buy a majority of stocks, but there is little chance of them being able to do that, especially in view of the total lawlessness governing the evaluation process. Under the third method, the administration runs the plant for a year, and, if it is successful, gets 20% of the stocks.

But to this day, the resolutions of the Supreme Soviet on privatization and changes to the law on privatization, as well as the programme on privatization itself, have nowhere been published.

■ Why do you think that the movement of work collective councils failed in its basic aim of winning for the workers the right to run their factories collectively and to decide the question of ownership?

I left the Leningrad Union of Collectives because I felt that Sergei Andreev, its leader, was saying one thing, while the Union was busy doing something quite different: it was making propaganda for the creation of joint stock companies. My idea was different: leased and collective enterprises. We are Soviet people after all, our mentality is such that we prefer social, people's property. Of course, we were never really

owners, but now they want to fix that in the constitution. It used to proclaim that the property was "state" and in brackets "the whole people's". Now the phrase "the whole people's" has disappeared and no one knows where it went. They now tell us we can buy this property from the state.

You were at the Congress of Work Collectives when we decided that, before any privatization occurs, the enterprise should be transferred to the full economic management of the collective. But you know how completely illiterate we were. We are only now beginning to understand what ownership and "full economic management" mean and what the difference between them is. And those who have the power are easily able to get round us on this sort of question.

Anyway, here I am agitating for leasing and the Union of Work Collectives is supporting the formation of joint-stock companies. I would tell them: "What are you telling people? Don't you know that stocks are capital? Capital always ends up in the hands of the same people. We need to look to other models, like the workers' cooperatives in Mondragon in Spain where the workers themselves run things in their own interests. Didn't the movement here begin with the idea of self-management? How is it possible if the enterprise is divided into shares that can be bought and sold on the market?"

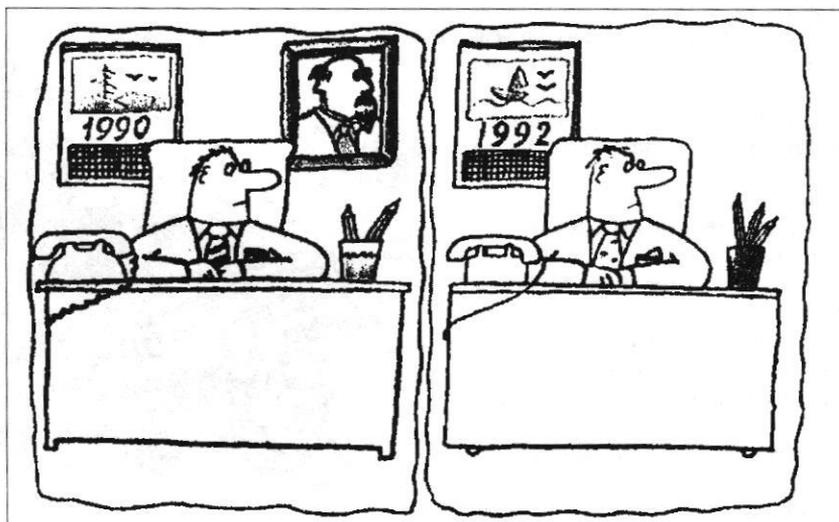
Intellectuals who used to be for leasing now point to Yugoslavia to show that the initial ideas of the movement can't work. But Yugoslavia never had real people's enterprises — there was no self-management, no democracy, nothing. On television we are constantly told that open stock companies are best because they attract investment. But we need to go our own way. I've read all that I could find about collective enterprises around the world, and I think that they are much closer to us than any open stock companies.

I saw that no one in the Leningrad Union of Collectives was interested in leasing or collective enterprises and so I left in protest. Besides that I found that Andreev's aides were organizing some sort of "business centre".

■ To train businessmen?

No, to conduct various commercial operations. And the people in the Union's leadership were going to the enterprises to get money for the business centre. Not a kopeck went to the Union itself. When the Union elected a new council, Andreev attacked me viciously and asked the members not to include me, so there would be no opposition.

So I left. I can't work in an organization that won't tolerate any opposition and that refuses to do real work with the enterprises and give concrete help.



Andreev has, in practice, formed a party. In the Union's new constitution there is a clause on individual membership. They are getting ready for new elections. Together with entrepreneurs they have created a school to train future party representatives: the entrepreneurs give the money and Andreev selects and trains suitable candidates. Need I say more?

Andreev was a nobody who wanted to make himself a public career; so he latched onto the work collective movement. He became chairman of the Council of Collectives of Leningrad although he himself represented no collective. He was director of some private institute in Leningrad and he even had the nerve to make his post as chairman of the Union a paid one. Anyway, he has launched his career and nothing is left of the movement.

■ Does that mean there is no longer any organization in Leningrad fighting for self-management and collective ownership?

Was there ever really one? In my enterprise, where I was chair of the work collective council, we had in our charter the phrase: "The right of full economic management is transferred to the collective". But what good is that if the collective doesn't know what "full economic management"¹ means and if the work collective council is in the hands of the administration? Even at Pargolov, a leased enterprise, management has succeeded in subordinating the council of leaseholders and unilaterally assigns wage coefficients and bonuses.

■ Did you quit your job at Krasnaya Zarya to work in the union at Pargolov?

I took a six month leave without pay. And it's a good thing I didn't quit, since with this new decree, they are going to try to quickly push through the formation of a joint stock company. I'm still a member of

the work collective council at my old factory, though it has fallen apart long ago and the management does what it likes. But I keep up my contacts because there are supposed to be new elections to the council as well as to the post of plant director.

■ Is this the work collective council of your institute or of the entire Krasnaya Zarya enterprise?

Krasnaya Zarya fell apart in the same stupid way as the Soviet Union: in a foul way with everyone in opposition to everyone else. This allowed the administration to grab everything it needed. To this day, its property hasn't been legally divided up and yet the enterprises exist independently. You can grab a room, property, do anything you want, except make the enterprise work. There are no orders. Some of the biggest layoffs in the city are occurring there.

But the chairman of the trade union committee of my institute is a very good woman. And it was probably her example that helped to decide me to take my present job. Previously, I had scarcely taken any notice of the unions. They could never really function in this country. We had the Central Committee of the Communist Party, the Council of Ministers and the All-Union Council of Trade Unions jointly signing resolutions. So what was there left for the unions to do? They paid sick leave. They administered social security.

I came to trade union work with a significant knowledge of the law about work collectives and the like, things that traditional union activists never had to know. Since I began this job, I've carefully gone over all the union documents and the labour code, and I've been able to organize the union work in a totally new way.

I began working in December. Sometime

1. The phrase signifies that the work collective runs the enterprise in a sort of leasing arrangement with the state.

in January, they elected the new director. Now, the comrades at the factory say that the third revolution is in progress, because this is the third time they've replaced the director and a certain part of the collective feels that the new director doesn't suit the job either.

■ How did they find him in the first place?

Actually, he had already been director there and was kicked out with the help of the party. Maybe that made him attractive to the workers. He became some sort of private entrepreneur in the area of culture. He is a tough, cruel person. The workers tried to find some organization that had a data bank on potential directors and other specialists. But at the time there was none, though there is now.

He was hired by the council of leaseholders, which is elected by the work collective. But we still can't find out what his programme is, or on what basis the council decided to hire him. Well, it's true that the workshops he'd been managing made a good profit. He showed how he had been given a million roubles and turned them into ten million and so forth.

But he immediately started to issue orders, for example, that the plant had to work on Saturdays. According to the law this requires the union's agreement. So I went to him and asked: "Is the plant working this Saturday?" He said it wasn't. When I came to work on Monday, I learnt that the main shop had worked. Not only had he not obtained the agreement of the union committee, but he lied to me.

I wrote to the council of leaseholders that management was violating the labour code. The director accused me of merely wanting to assert my power. But this was no formality. It was a question of pay for overtime. After all, this extra money came out of the pockets of workers who didn't work the overtime.

That's when the director said: "Why do I need your agreement? I'll get the agreement of the trade union 'Independence'". So I thought I'd better look into this new trade union. It had no committee, no presence at the factory. After the strike in the fall, some workers here formed a branch of this Independence.

■ How did the Pargolov workers get on to Independence?

They had heard of it and needed help with their strike. It's good at leading strikes. In fact, it does little else. Anyone who participates in these strikes is considered a member of the union.

The former director sued Independence's organizer over the strike. After they got rid of the director that person became assistant director for production.

At any rate when I began to prepare a



draft collective agreement, I included two members of Independence in the committee. These two come and tell me "We've decided we don't need a collective agreement. We need a system of individual contracts."

I understood I would have a hard time with them. It isn't a trade union. It doesn't take up grievances, look into issues of wages, layoffs or dismissals. But when the director needs a union signature on one of his orders, he'll go to Independence whose very membership is undefined. Trade unions are springing up like mushrooms. Ten people get together and form a new union.

I've understood now that we need trade unions like oxygen itself. Unity makes unions strong. Of course, there can be different unions, but they should put forward similar, concrete demands: against unemployment, for higher wages and so on. But individual enterprises or groups of workers can't act on their own. Even if they win a wage rise, what about the others? But that's what happening — public transport workers, miners, teachers, medical workers, one after the other and all separately.

And of late, articles start appearing in the press that trade unions are nonsense, we don't need them, that we're not doing what trade unions are supposed to do. In the past they were forced to distribute scarce consumer goods among their members. They got three cars for a thousand workers. But I firmly declared at the factory that we would distribute nothing. Our union concerns are wages, employment, collective agreement, layoffs. We won't distribute anything because it is always a source of conflict and division among the workers. Besides, there is nothing to distribute now. And in the future, everything will be on open sale.

Maybe it's easier for me since I have no past in the trade unions. I don't know how it is for the old-time union leaders, but I want to speak on the radio — I have

connections with one of the smaller stations — and say that union members should not leave their union. They should hold new elections to their union committees, because everything depends on what kind of people are in it. The laws exist, a federation of trade unions exists that has good economists and lawyers — everything exists that makes it possible for unions to work. But the basic work is in the factories.

■ What union federation are you referring to?

The Leningrad regional federation. I have no use for my branch union. But I do need the Leningrad federation. It has certain structures that one can't find anywhere else; it gives help to union workers. I've been a member of the Perestroika Club, the Popular Front, Democratic Russia² — no one, at least in Leningrad, defends workers' interests. The unions are my last hope.

■ How about your branch committee?

I've had only two visits from the central committee of the branch union in Moscow. They know less than I do. They are not necessarily old people, but their thinking and behaviour is old-style. My main concern has always been the question of ownership, but they don't even know how to think about the issue. When I told the branch union that my director violated article 85 of the labour code by making the plant work on Saturday without the union's agreement, they said: "Vladimirovna, you can't do anything. The law only provides for a ten rouble fine". This they tell me after prices had been freed and wages raised ten-fold! Ten roubles had become worth next to nothing, but they haven't gotten around to changing the

2. These are organizations with democratic programmes that arose at different stages of perestroika.

labour code.

Incidentally, the Law on Collective Agreements was adopted on March 12 but it was published only in May. That's how it is with all the basic legislation.

■ What were they waiting for?

Ask the government. In all likelihood, they didn't want the law. You remember when the law on trade unions was adopted in the old USSR Supreme Soviet. There was a terrible battle there, and only Gorbachev's intervention got it passed. This allowed the unions to continue to exist. And now, as I was saying, articles are appearing on the harmfulness of the unions. Back in May, Democratic Russia organized a sort of civic forum. Yeltsin was there. Someone got up and said: "Boris Nikolaevich; you dispersed the party. Now, it's time to disperse the unions. You should issue a decree forcing the unions to prove the reality of their membership claims".

■ There's something I haven't quite understood. The council of leaseholders appoints and fires the director. This same council is elected by the work collective as is your own union committee. How is it then that the director, who is the employee of the work collective, is able to push you around?

When I began to work in the union at the start of the year, the council of leaseholders was putting together a new wage system. They decided not only to raise wages, since prices had been freed, but they introduced a new system of coefficients. All the workers are divided into skill categories and each category is assigned a coefficient, from the cleaning woman at the bottom to the director at the top. A difference of about one to four and a half.

Well, this new system became the basis of total lawlessness on the part of the new director, who decides everything along with his department heads and lets the collective discuss nothing. He decides the indices and when to raise the coefficient of an individual.

The union committee came out against this system from the start. But we had no choice but to give our approval to it for three months because of a legal technicality — otherwise the workers wouldn't have been paid in January. But as the weeks went by, we saw the total arbitrariness of management and sounded the alarm. We wanted clear criteria for raising and lowering the classification of workers, we wanted the initial coefficients to be established by a commission that would include the union and council of leaseholders.

■ I don't understand why the workers don't recall their representatives to the council of leaseholders if they are so subservient to the administration.

Elections take place by sectors of 60 to 70 workers and only the sector can recall its representative. The general conference decides only the total number of representatives and chooses the chairman.

The director is trying to lay off workers, but the chairman of the council of leaseholders and myself told him we won't allow it. The council of leaseholders is itself demanding these layoffs, saying that this will allow it to raise the wages of the remaining workers.

■ I can't see how the workers can be laid off if they are leaseholders, that is, the bosses of the enterprise.

That's what I say. "You can only fire a leaseholder for violation of the labour code". But our laws contradict one another. How can a government issue a decree on bankruptcy that provides for layoffs of up to 30% where the form of ownership changes, when there isn't even an unemployment insurance fund or a job creation programme?

But even our imperfect laws are being violated left and right by the director. He hasn't even read the collective agreement, which he constantly violates.

Before *perestroika*, if I had a problem with the administration, I could go to the party committee, and if it didn't bother the district party committee, I could get help. If my activity bothered them, I could get sent to a mental hospital. In any case, the administration was constrained within a framework. Now there is total lawlessness.

I have a model set of rules worked out by the chairman of our union in Krasnaya Zarya. They've been trying to lay workers off for months, but haven't succeeded thanks to these rules.

The issue of layoffs is a tough one for the union committees. In many places the plant really has no orders or money to pay wages and the people who aren't being laid off ask the union to sign the order. You tell them that these people won't be able to feed their families that they aren't to blame for the director's failure to get new orders. It's especially important to defend people who have opened their mouths against the management.

People from other factories who have been laid off call me, and I ask "What about your union?" But they say the union okayed the layoff, so I tell them to go to court. This is a country of extremes — the courts restore practically everyone to their jobs.

■ Some people say that it is impossible to reform the old unions, even if there are new elections.

I know, but I think it depends on us. I'm able to do everything the new trade unions say they are trying to do, but within the framework of the former state union.

People say: "Oh, we don't believe in anything. We're tired". And I say to them: "What are you tired from? What have you done? All your lives you spent looking into the bosses' mouths". The best we did was curse Brezhnev at home in front of our TV sets. And we marched in neat columns to the elections and voted without even knowing what the candidates stood for.

■ What other conflicts have you had with the director?

Over privatization. There are special legal rights for leased enterprises. If the collective decides to buy the plant then no other buyers are considered. The workers supported such a move and the director raised a fuss. The issue remains undecided.

■ Do the workers support the idea of collective ownership?

They do, although they often don't realize it or fully understand its meaning. After all, we've lived with the idea for 70 years and before that there was Russian peasant collectivism. They know for sure they don't want to be hired labour. They are only now realizing they were hired labour all their lives.

But the government has other ideas. There was a huge article in *Rossiiskaya Gazeta*³ on how well off we would all be if all the enterprises became joint stock companies. What happens next is clear — any plant that is worth anything will be bought up by those with money and connections.

Take my factory, Krasnaya Zarya. I suspect it was sold long ago to Italians. There is really no work collective council there and people are totally in the dark. Krasnaya Zarya became a member of the "Telekom" concern, which included over 150 enterprises of Union significance.⁴ In fact "Telekom" was the Ministry of the Communications Industry that changed its name and became independent of the state. All the ministry officials crawled over into the concern. Then the concern became a non-state joint stock company, even though the state had invested millions in foreign currency in it.

So I ask the director of Krasnaya Zarya: "We are members of that joint stock company. Where are our stocks now that it has been split up? The concern is no longer a state company. Who is the owner?" He

3. Semi-official Russian government paper.

4. Under the command economy, enterprises of [Soviet] Union significance were subordinated to the central government in Moscow.

only mumbled something. Of course, all the enterprise managers are on the board of directors — in practice it became theirs.

■ I read an article in a Leningrad paper yesterday which accused the unions of preparing to overthrow the government.

You see, the unions are starting to function as real unions and the press is turning against them. But in fact they are not in implacable opposition to the government. You can't come out directly against the government now; you can only demand it change its course.

■ Why can't you come out against the government itself?

Well, it isn't at all clear who would replace it. Didn't we elect Yeltsin? I agitated in favour of Yeltsin. Are we to have presidential elections each year? No one will go to vote or they will vote for some nationalist demagogue such as Zhirinovskiy. People loved Nevzorov. They went on hunger strike to get him registered as a candidate for the elections.⁵

I don't see anyone better than Yeltsin. You don't understand how he works on people. I saw him at the Kirov factory. The audience was pure working class. He cracked jokes. It was a miracle to see how he worked the crowd!

■ What about the leadership of the Leningrad Federation of Trade Unions? I heard they may be prepared to support the creation of a Party of Labour.

I know the vice president Lisyuk pretty well, since it was he who created a commission on privatization that has come out for collective property. He has a past, but people can change their colours and I can work with him now. The Federation's president Makarov doesn't support collective property. He says he was in the US where he learnt that it's not efficient.

But I've cast in my lot with the trade unions. This is concrete work in a concrete enterprise. And it's better work than the work collective councils are doing. In general, although I was active in those councils from their inception, I now have a great mistrust of them. Management is able to lure these people over to their side. And so I tell people: "You have a bad union? Hold new elections. Because if you destroy these unions, you'll be left with nothing. It takes a long time to build a new structure". ★

5. Vladimir Zhirinovskiy — leader of the radical Russian nationalist Liberal Democratic Party. The party emblem is a falcon surrounded by a picture of the "old" Russian territories, including Finland, Poland and Alaska.

Aleksandr Nevzorov was a popular, muckraking Leningrad television journalist in the *perestroika* years who has since shown his preference for the "patriotic" wing of the opposition.

Controlled transition on the ropes

DOUBTS have recently been raised as to whether the handover by Nigeria's military to civilian rule planned for the end of this year will in fact take place. The *Financial Times* (October 16, 1992) reports the view of a top Nigerian official that: "There is a climate building up [for current military dictator General Babangida] to extend".

In Kenya, where a similar move away from one party rule is supposed to be taking place, the opposition parties are reported to be considering a boycott, accusing the government of preparing to rig elections. With the renewed fighting in Angola after elections there, a crisis of Africa's democratic transition seems underway.

International Viewpoint has received the following article on the reality behind the controlled transition in Nigeria.

EDWIN MADUNAGU — September 1992*

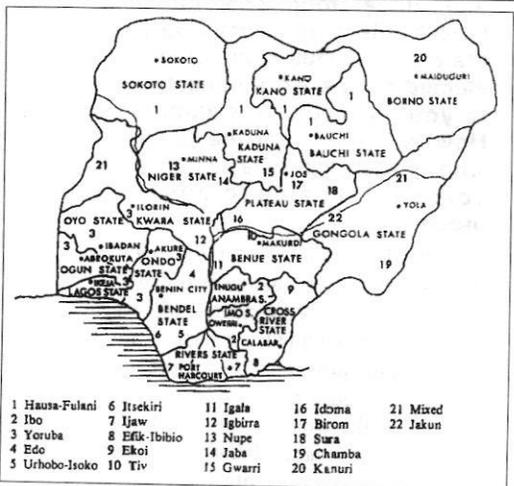
EVERY regime in Nigeria since independence has been compelled in its search for legitimacy to admit the fact of the enduring misery of the country's people. This admission, however, is made but once, at the regime's inauguration. Thereafter, compelled by the logic of capitalist development, it gets down to the task of adding further burdens on the weary shoulders of "fellow Nigerians", as the people are endearingly called at each inauguration.

The same was true of the coup in Nigeria led by Generals Buhari, Idiagbon and Babangida in 1983. Its stated aims were as ever different from its real intentions. What these latter were can be divined from the controversies preceding the coup and the immediate actions and policies of its leaders.

Young military officers

The young military officers, with their roots in the Mohammed-Obasanjo regime of 1975-79, recaptured power from the civilian politicians for four main reasons.

The first was to halt the advance of revolutionary forces. After the rigging of the 1983 elections, the masses took up arms to dispute some of the results and sections of the radical political movement started to talk about the need to physically confront the regime of Shagari. The intervention of Buhari-Idiagbon prevented this "new thinking" from developing, as was indicated by the pattern of arrests.



The second was to restore the authority of the Nigerian bourgeoisie as a ruling class. To this end the military had to punish the bourgeois politicians who had thoroughly discredited and therefore endangered the bourgeois social order through corruption, indiscipline, political weakness and "economic mismanagement".

The third was to punish radicals and their allies in some of the legally established parties for almost harassing Shagari's National Party of Nigeria (NPN) out of power. This explains the arrest and imprisonment of radical figures such as Haroun Adamu and Ebenezer Babatope who before the coup had been involved in public controversies with Buhari, known then as a supporter of the NPN.

Finally, the military junta wanted to present the Nigerian army as the alternative

* Edwin Madunagu is a journalist living in Lagos.

political party, capable of creating and maintaining law and order.

However, in keeping with tradition, in a dawn broadcast on Lagos radio on Saturday December 30, 1983 Army Brigadier Sani Abacha told the nation:

"You are all living witnesses to the grave economic predicament and uncertainty which an inept and corrupt leadership has imposed on our beloved nation for the past four years. I am referring to the harsh, intolerable conditions under which

we are now living. Our economy has been hopelessly mismanaged. We have become a debtor and a beggar nation. There is inadequacy of food at reasonable prices for our people who are now fed up with endless announcements of importations of foodstuffs. The health service is in a shambles as our hospitals are reduced to mere consulting clinics without drugs, water and equipment. Our educational system is deteriorating at an alarming rate. Unemployment figures, including for graduates, have reached embarrassing and unacceptable proportions. In some states, workers are owed eight to 12 months in salary arrears and in others there are threats of salary cuts".

Such was the military manifesto of the Buhari-Idiagbon regime and its list of charges against the ousted civilian regime. These charges were of course justified. However they could not be overcome simply by installing an honest, disciplined and morally upright regime endowed with sound economic knowledge. The problems had a deeper root, namely, capitalist-oriented development.

Twenty months later, in August 1985, some members of the regime organized and carried through a putsch which removed Buhari and Idiagbon as Head of State and Chief of Staff respectively. General Ibrahim Babangida — now taking the title of president — replaced Buhari while Ebitu Ukiwe from the navy and Domkat Bali, an army general, shared the two offices arising from the abolished post of Chief of Staff. Otherwise the core of the military junta remained the same.

Most Nigerian radicals treated the arrival of Babangida with cynicism. Some sections of the left however reacted with more enthusiasm, fulfilling their appointed task of mobilizing popular support for every new regime. They had done this, for example, in August 1975 when Murtala Mohamed and Olusegun Obasanjo came to power adopting radical rhetoric. Now figures such as Ebenezer Babatope from the proscribed Unity Party of Nigeria embraced the new regime. However, as is traditional, Babangida's popularity waned before long.

Babangida read the usual charges against his predecessors, who had: failed to reverse economic decline and halt corruption; alienated the majority of the Supreme Military Council and usurped its collective authority; used security agencies to harass and blackmail its real or imaginary opponents; failed to appreciate the fragile nature of the composition, constitution and structure of the nation, and the need to "balance" the relations between the nation's various parts.

Indeed, the "intolerable" social conditions complained of in December 1983 had got even worse by August 1985; unem-

Nigeria facts

NIGERIA is a West African country with a land area of 356,667 square miles. It is bounded to the south by the Atlantic Ocean, in the west by the Benin republic and to the north and north-west by Niger. The population was 88.5 million according to the 1991 census, making it Africa's most populous country.

The per capita Gross National Product (GNP) is US\$250. Life expectancy at birth is 47 years for males and 49 for females. There is one doctor for every 6,900 inhabitants, and infant mortality is 121 for 1,000 live births. Literacy is 42% as is primary school enrollment. The World Bank listed Nigeria as the 13th poorest country in the world in its 1991 report.

In September 1992, Nigeria was a federal republic with three tiers of government — federal, state and local. There are 30 constituent states and 589 local government areas. The country is presently under military rule.

There are more than 400 nationalities or ethnic groups, among the more populous being the Hausa, Fulani, Yoruba, Igbo, Tiv, Efo, Ibibio, Nupe, Igala, Idoma, Efik, Ijaw and Kanuri. There are two main professed religions, Christianity and Islam. The former came first to the south and then spread northwards, the latter spread southwards from the north.

The British conquered different parts of what is now Nigeria at different times, but by 1900 the whole territory was under British colonial rule. However, the north and the south were under different colonial administrations until 1914, when the two parts were amalgamated under Governor Luggard and named the Protectorate of Nigeria.

In 1939, the southern group of provinces was divided into two — the east and the west — and in 1954 Nigeria, still under colonial rule, became a confederation of three powerful regions — North, West and East. The North covered about three quarters of the country's total land area and accounted for about half the total population. The population ratio is still about the same. The dominant ethnic group in the North is Hausa-Fulani, in the West, Yoruba and Igbo in the East.

Nigeria became independent on October 1, 1960, under a conservative federal government with Nnamdi Azikiwe as governor-general and then president (1963), Tafawa Balewa as prime minister and Chief Obafemi Awolowo as opposition leader at the federal level. But within two years the agreements among the various factions of the ruling class before independence had broken down. In 1963, a fourth region, the Mid-West was carved out of the West. In January 1966, a group of radical army officers led by Major Nzeogwu attempted to overthrow the federal government. They failed and General Ironsi, the official head of the army, took over power.

A counter coup followed by massacres took place in July 1966 and General Gowon became head of state. The counter coup was resisted by Colonel Ojukwu, the military governor of the Eastern Region under Ironsi.

On May 30, 1967, Colonel Ojukwu declared the Eastern Region independent under the name of Republic of Biafra. A war between Nigeria and Biafra broke out which lasted 30 months and ended with Biafra's surrender and re-incorporation into Nigeria.

Gowon remained head of state until July 1975 when he was overthrown in a coup led by General Murtala Mohamed. The latter in turn was assassinated in an attempted coup on February 13, 1976, and General Obasanjo became head of state.

On October 1, 1979, Nigeria returned to civilian rule under president Shehu Shagari, who was elected on the platform of the National Party of Nigeria (NPN). He was re-elected for a second term in August 1983. But four months later he was overthrown by a military coup. — E. M. ★

ployment had almost doubled through massive retrenchment; school fees had been increased when they were charged and introduced where they never had been charged; prices had continued to rise and the nation's healthcare system had deteriorated further. Hundreds of thousands of artisans and small traders had been uprooted and dispersed under a brutal "environmental cleaning programme" called the War Against Indiscipline.

In October 1985, an economic emergency was declared which cut workers' wages by between 10 and 15%. Nigerian workers organized in the Nigeria Labour Congress (NLC) attempted to go on strike. But the organization withdrew its strike threat when the country's entire media descended on it, charging it with sabotage and subversion.

The new government announced a new course and "open administration". The ruling body was enlarged and renamed, the secret police purged and reorganized, hundreds of detainees released, restrictions on the press slackened, a promise made that the ban on the National Association of

Nigerian Students (NANS) would be lifted, the IMF question was tabled for public debate and a similar debate promised on the country's future.

On January 13, 1986 President Babangida set up a 17 member Political Bureau to draw up a political programme for transition to a new democratic social order. Fifteen months later the Bureau, which included a number of leftists, labour leaders and liberal academics, submitted a report to the government. The report said that the Nigerian people, in a national debate lasting about nine months, opted for socialism.

The government turned down the report on the grounds that it did not intend to "impose" an ideology on the people. It was, however, in just this period that the government accepted the Structural Adjustment Programme proposed by the World Bank and International Monetary Fund.

In July 1987 the Federal Military Government under General Ibrahim Babangida announced a transition to democratic rule. This programme is scheduled to culminate on January 2, 1993,

with the inauguration of an Executive President for the country's third Republic which will commence on that date under a new constitution.

Between July and December 1987 the government set up the Directorate of Social Mobilization, the Constitution Review Committee (CRC) and the National Electoral Commission (NEC). In December 1987 local elections were conducted nationwide on a non-party basis (since the ban on political activities imposed after the army seized power in December 1983 was still in force).

In March 1988 a Constituent Assembly (CA) whose members were partly elected by the local government councils and partly appointed by the government was set up to debate the draft constitution prepared by the CRC.

In May 1989, the CA submitted a constitution to the government and the latter lifted the ban on political activities. Nigerians were asked to form political parties but were warned not to include in their membership former politicians and public officers banned from politics. Also to be excluded were people the government described as "extremists".

On October 7, 1989 the military government, which through the National Electoral Commission had considered the applications of the political parties, decided to reject them all. At the same time the government announced the formation of two political parties of its own: the "a little to the left" Social Democratic Party (SDP) and the "little to the right" National Republican Convention (NRC). The parties' constitutions, programmes and manifestoes were drafted by government agencies and then amended and approved by the government. Nigerians were asked to join one or other of these parties.

Attempted coup of 1990

In January 1990, the government carried out a purge of the Armed Forces and on April 22, 1990, a very bloody coup was attempted. The attempt failed and 71 army officers were arrested.

In July 1990 the SDP and NRC held their inaugural conventions in the country's new federal capital Abuja. Since then the parties have operated according to their origins, as little more than government departments. In December 1990, local government elections were held on a party (that is: SDP/NRC) basis by open (not secret) ballot.

In October 1991, the SDP and NRC held their primaries to select candidates for the legislative and governorship elections in the 30 states into which the country had been re-divided the previous August. The government intervened in several of the contests, cancelling several results and

For a genuine democratic transition

AS NIGERIA enters the thirty third year of its independent existence it is the fervent wish of Nigerian nationalists, patriots, radical leftists and progressives that the 32nd independence anniversary (on October 1, 1992) will not be the country's last birthday as a nation-state or a law governed society. It is also their wish that this anniversary will be the last under an unjust and undemocratic neo-colonial regime. Here then is the double task to be performed: to save Nigeria from chaos, disintegration and civil war and at the same time construct a framework for turning the country in a truly democratic, truly united, egalitarian and just society, in short a free country of free citizens.

This particular political transition, whatever its outcome and however ingenious its "political engineering" will not save Nigeria. This remains true even if the results of the presidential primary allocations (called elections)¹ are cancelled or reversed, making the "losers" into the "winners" and vice versa. This transition from military to civilian rule, based on two political parties formed and imposed on the country as the only legal political parties, cannot produce a popular or even minimally legitimate civilian government.

None of the present or possible products of the current transition can save Nigeria. The transitional programme must be terminated even at this stage. Simultaneously a provisional or interim government should be set up at federal level. The task of such a government would be to organize a Sovereign National Conference (SNC).

All local and state governments (undemocratically) elected under the present transition programme in December 1990 and 1991 should then regard themselves as caretaker or provisional administrations.

The interim government must not be a military one, nor should it have a military organ over it. In other words, the Armed Forces Ruling Council should be dissolved.

The next stage is the dissolution of the transition institutions, including the two political parties, the SDP and NRC and the Centre for Democratic Studies (CDS). The resources of the SDP and NRC should pass to the relevant states and local governments. Party buildings in the state capitals and local government headquarters could be used for vocational and adult education and libraries. — E. M. ★

1. By "electoral allocation" we mean the system whereby agents of opposing candidates meet with election officials and security agents to agree in advance on the number of votes to be scored by each candidate. The results of the actual elections are then altered to correspond with the agreed allocation. The moving force is of course money.

banning some candidates. The main elections took place two months later; both primaries and main elections were massively rigged.

The new state governments were inaugurated in January 1992 and the ban on former politicians and public officers was lifted. Immediately many of these "former" politicians entered the race for the presidency. In July this year elections for the

National Assembly were held — again massively rigged.

The transition has witnessed some of the worst riots, strikes and mass protests in the nation's history.

In May and June 1986, workers and university students held demonstrations that were violently repressed by security forces. At least four students in the Ahmadu Bello University were killed. The

government responded with a ban on the National Association of University Students (NANS) and by de-affiliating the Academic Staff Union of Universities (ASUU) from the Nigeria Labour Congress (NLC). About this time it was revealed that the country had been secretly admitted into the Organization of Islamic Countries.

In March 1987 there were bloody clashes between Christians and Muslims in Kafanchan in Southern Kaduna state. Many lives were lost and many mosques, churches, houses and vehicles were destroyed.

In February 1988, following an internal crisis in the NLC, the government took over its administration. It relinquished this control in December 1988. May and June 1988 saw protests by students and workers over the increase in petrol prices and its multiplier effect on the prices of other goods. In July the ASUU was banned for taking strike action.

June 1989 saw broad demonstrations in the country's big cities over the increasingly harsh economic situation. The protests were brutally repressed and many people were shot dead.

In 1991 there were more bloody religious riots in Bauchi and Kano states. Several lives were lost and extensive damage to property reported.

In May 1992 there were massive protests in several cities and in almost all the country's universities against economic hardship and the undemocratic character of the transition programme. These were followed by bloody ethno-religious riots in Southern Kaduna. ★

The crisis of the left

1989 STARTED on a hopeful note for Nigeria's radical movement and for the nation as a whole. In February, the Directorate for Literacy organized in Calabar a conference which turned into a radical congress. Though highly successful as a testing of the popular mood, however, this gathering showed that divisions which had existed in the movement in the 1960s and under the Second Republic (1979-83) had not disappeared.

In April that year a three-day National Workshop took place in Calabar under the auspices of the Nigeria Labour Congress (NLC). In attendance were leaders of all the country's industrial unions, leaders and representatives of the NLC itself, senior staff associations, professional groups and mass organizations as well as radical intellectuals, workers and students. Also present were many veterans of labour and nationalist struggles.

This was one of the most representative conferences of the radical movement in many years. It agreed that

- A Labour Party should be formed to unify and advance the people's struggle in Nigeria.
- There was an agreement that the proposed party should have two main pillars: the Socialist Movement and the trade unions.
- The veteran nationalist and labour leaders agreed in an emotionally charged conclave to transcend differences that were purely subjective or no longer had any political relevance. In their new unity the veterans would lend their support formally or informally to the effort to build a new organization.

However the labour leadership and a small group of left sectarians — pulling in opposite directions — succeeded in frustrating the high hopes raised by these agreements. The leftist contribution to this debacle was

- Reviving old disagreements from the 1950s and 60s which no longer have any relevance
- Promoting suspicion to the level of policy
- Confusing strategy and tactics and at times not knowing there was any difference between the two
- Believing that the only way to influence a movement was to occupy formal leadership positions within it.

The labour leaders meanwhile believed it possible to build a Labour Party in a bureaucratic manner and without definite political direction and attempted to purge Marxists and socialists from the party. They were ready to accept state involvement in the party and conform to state dictates about purging "extremism".

These efforts did not save the Labour Party from being banned in October 1989 along with the rest. The 1989 debacle was a copy of what had happened ten years earlier when the radical movement fell apart attempting to respond to Murtala-Obasanjo's transition programme. However, this time not only did the movement fall apart but its components have also suffered internal decline, mainly due to the additional psychological factor of the events in Eastern Europe.

Hope for a resurgence of radical politics is however reviving thanks mainly to the efforts of human rights groups and students as well as episodic acts of popular resistance across the land. But to sustain this hope, deepen it and translate it into a material political force, a new perspective that assimilates the lessons of the past, faces reality on the ground and articulates a new alignment of social forces and spells out the immediate and long-term national tasks must be constructed.

With a new perspective and new foundations our efforts at national rebirth will take another step forward by adding the question of political power to the defence of human and democratic rights. — E. M. ★



Thatcherism spreads "Down Under"

FOLLOWING a crushing victory at the polls on October 10 the new government of the Australian state of Victoria (one of six in the Australian federation, each of which has its own parliament — the national parliament resides in Canberra), has moved quickly to a showdown with the trade unions.

JOHN TULLY

THE LIBERALS — in fact a conservative party now in the hands of hardline New Right ideologists — were propelled into office on a wave of public revulsion at the gross mismanagement during ten years of state Labor governments. These, under John Cain and Joan Kirner ran up an enormous deficit due largely to the collapse of the Tricontinental merchant bank which in the 1980s lent billions to shady entrepreneurs such as Alan Bond and Christopher Skase who later went bankrupt.

The new Liberal Premier, Jeff Kennett, now claims he has a mandate to declare what is in effect class war. In fact Kennett has no such mandate. Even the Melbourne daily *The Age* has admitted that little was said about industrial relations policy during the campaign and that Kennett came to power not as a result of support for any particular policy but owing to disgust with Labor.

On October 29, the Victorian Trades Hall Council (THC), which brings together the state's unions, voted unanimously for a 24-hour general strike as part of an all-out campaign against imminent anti-union legislation and draconian austerity measures. THC secretary John Halfpenny labelled the government's Employee Relations Bill as "Dickensian".

The bill outlaws virtually all strike action by workers covered by state awards. These awards are legally binding agreements between employers and unions made in arbitration courts which cover some 800,000 Victoria workers. Fines for breaking the law would be 50,000 Australian dollars for organizations (US\$1 = about A\$1.4) and \$1,000 for individuals. The government intends to create a new arm of the existing magistrates' courts to enforce the new law. Workers in industries designated as "vital" will be completely prohibited from striking.

"Secondary boycotts" (that is, solidarity strikes and bans) will also be punished. Within the extremely restricted range of instances in which such strikes would be

permitted, they would have to be approved by state-run secret ballot and in any case limited to no more than five days. Picket lines will be restricted to six people and it will be illegal to attempt to stop strike-breakers from getting in to work.

Individual contracts

And that is not all. All workers currently on state awards would be forced to negotiate individual contracts with their employers, as is the case in New Zealand. Existing awards may continue, but only with the agreement of the employer concerned. The government also intends to legislate to allow employers to fine employees for "disobedience" and other behaviour they may deem undesirable.

This industrial relations legislation follows on the heels of a state "mini-budget" that aims to make working people and the poor shoulder the burden of "economic recovery".

In the budget the government abolished special overtime rates and fixed leave. The 38-hour working week is to go; workers

will be obliged to negotiate the length of the working week individually with employers. The concept of the weekend is to be abolished and workers will be required to work as many consecutive days as the boss sees fit. In addition long service leave and annual leave itself is to go unless the employer agrees to pay it.

Kennett has also introduced a regressive new tax of \$100 on all rateable properties. All ratepayers will pay whether they live in a luxurious mansion or a small flat. This move has been compared to the poll tax introduced in Britain by former Conservative Prime Minister Margaret Thatcher and there are moves afoot to launch a boycott. New consumer taxes have been introduced and public transport fares are to rise by ten percent. None of these new taxes hit Business.

On top of all this there are to be huge cuts in public spending on health, welfare, public transport and education. Seven thousand public sector jobs are to be axed by May 1993 and union members fear that the total may reach as many as 25,000 to 30,000 by the end of that year.

Privileges restored

Meanwhile the new government has granted its members pay rises of up to \$9,000 a year and reintroduced a range of privileges suspended by the outgoing government. The cuts and job losses will be overseen by "fat cat" administrators brought in on undisclosed salaries rumoured to be in the range of \$300,000 per year.

Thus has Thatcherism New Zealand style come to Australia. There will be Federal elections in 1993 and the current Liberal opposition has made it clear that it will support similar policies at a national level. ★



The Shenzhen share riot

THE Chinese Communist Party congress in the third week of October ended its deliberations with a call for an

economic "revolution" along market lines. The mix of economic reform and tough political control associated with the rule of Deng Xiaoping is to be preserved.

However it would be rash to assume that this formula represents a stable policy for China's long-term future; a sharp insight into some of its contradictions was provided by recent events around the issuing of shares on the market at Shenzhen in south China.

ZHANG KAI*

THERE is much to learn from the Shenzhen riot over shares.

Over a million people flooded Shenzhen in August this year to try their luck in getting hold of a piece of the reform cake — the application form for buying shares. This appears to many as a swift way to wealth; share prices in Shenzhen have risen spectacularly in recent years, some rising over 40 times in the past 18 months (see table).

When the Shenzhen authorities suddenly raised the fee for an application form from one yuan to 100 yuan it had the effect of (mis)leading the people to think that if they were successful in the lottery for the forms they would reap considerable profits from the shares.

Potential shareholders rushed to Shenzhen from all over the country and queued for two hot days and nights; many were beaten up by police — *Min Pao* reported that on August 9 about 200 people from the queues were admitted to hospitals in Shenzhen.

However, soon after the application forms started to be sold, the banks announced that it was over, that all the forms were sold out. People who had obtained forms through backdoor relationships were on the spot selling the forms at several times the original fees. It was widely believed that many of the forms had not been sold on the open market that it was a "big swindle" and "a huge case of collective corruption".

The semi-official China News Agency reported on September 10 from Hong Kong that "the staff of banks, insurance companies and stock companies, the police and security officers and the staff of industrial, commercial and monetary bureaus had by various means appropriated over 50% of the application forms".

Such blatant corruption drove the frustrated masses mad. On the evening of August 10, some took to the streets waving banners "Against corruption, for justice", "Protest against the fraud of officials". More and more people joined the demonstration which swelled to tens of thousands. The peaceful parade was met with water cannon and teargas. A riot began. The crowd burnt cars and police vans and broke the windows of banks, financial institutions and shops. The confrontation lasted a couple of hours. When the government announced that an additional half million exchange coupons would be released for sale the next day, each costing 1000 yuan and the odds would still be ten to one, the incidents subsided.

Though the official version was that the riot was incited by a small number of criminals, in fact this was a mass protest against the corruption of officials. The incident shows several things:

- The government takes the lead in scrambling for profits. Just by selling the application forms, the government earned a billion yuan.

- Officials and law-enforcement personnel are deeply involved in corruption.

- In the early stages of experimenting with the shares system a lot of upstarts gain huge profits without expending any labour. The desire for speculation and profiteering grips society.

- Social contradictions intensify in the process of economic reform. The Shenzhen riot is the largest demonstration against corruption and fraud since the 1989 democracy movement.

- The corruption and incompetence

of the Communist Party get worse with the economic reform conducted under one-party dictatorship.

The stock market is a part of the market economy. After a short period of experimentation, reality turns out to be different from expectations embodied in the state's ordinance on shares entitled: "Methods governing the trying out of the shares system in enterprises".

The ordinance states that the first objective of issuing stocks is "to change the operating mechanisms of the enterprises, facilitating the separation of politics from the management of the enterprises and realizing the autonomy of enterprises and their self-restraint". Yet the government still intervenes in and profits from the issuance of the application forms and shareholders, instead of restraining the activities of enterprises are interested only in speculative dealing in stocks.

The second objective of the ordinance is to "open up new channels for pooling capital, gathering the funds for construction and channeling consumption funds into productive construction funds". It might be true that funds are attracted to enterprises when stocks are issued, but much larger amounts of money are also withdrawn from banks to engage in stock speculation. Indeed, a lot of capital has flowed from the hinterland to Shenzhen and Shanghai for speculation.

As for the third objective of the ordinance "to promote a rational flow of the key factors of production to facilitate a fair allocation of social resources" — the flow is by no means rational when profiteering is the rule.

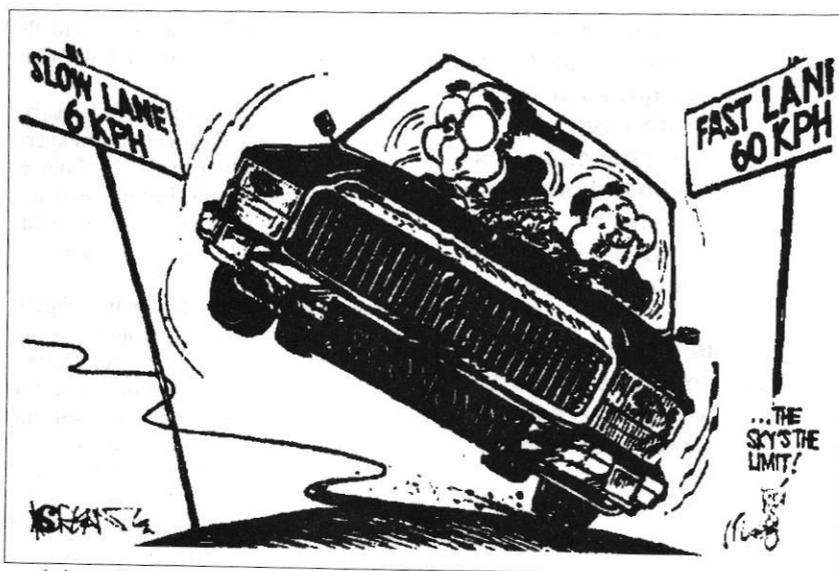
Insider dealings

Liu Hongyu, deputy director of the State Economic Reform Committee wrote in the *People's Daily* of June 23 about problems around the pilot share system. He pointed out that "one rather conspicuous problem is over the issuing of stocks — how to increase transparency and prevent internal allocations and backdoor dealings which will give rise to new injustices in distribution and hence social instability. The second problem is that of the transfer of stocks — feasible procedures must be stipulated; before this is done, we should not hastily start new

Rise in stock values in Shenzhen (all the stocks below started at value of one yuan on issuance).

| Name of stock | Date of issue | Value on August 12, 1992 |
|---------------|---------------|--------------------------|
| Fa Zhan | 29/1/1991 | 43.90 yuan |
| Bao An | 25/6/1991 | 30.80 yuan |
| Wu Ye | 30/3/1992 | 27.35 yuan |
| Zhong Guan | June/1992 | 18.00 yuan |
| Zhong Chu | July/1992 | 20.30 yuan |

* This article is taken from the October 31, 1992, issue of *October Review*, a revolutionary Marxist journal published in Hong Kong.



stock issues". A few weeks later his fears were realized.

In his article, Liu Hongyu stressed that the shares system in China is guided by political policies that uphold the socialist public ownership system and is not a step on the road to privatization.

However, the ordinance stipulates that, apart from two categories of state enterprise, the rest of the stocks can be owned either by their staff workers or put on sale on the open market and hence owned by individuals or foreign capital.

The first category is not included in the stocks experiment; these are enterprises related to state security, defence technology or strategic minerals.

The second category can experiment with stock issues, but the state-owned assets stocks must remain in control; this applies to key development enterprises in energy, transport and communication.

Liu Hongyu maintained that the socialist orientation of the country would not change so long as the state ownership system remains dominant.

However statistics reveal that state enterprises' share of industrial output was decreasing throughout the 1980s and continued to decrease at a rate of 2-3% a year in the 1990s.

By the year 2000, it is estimated that this share will be down to 25% — the same as private enterprises, the other 50% being taken up by collective enterprises. (This latter category can also be private.)

At the same time, when the shares experiment was launched, the authorities issued "Interim regulations governing the management of labour and wages in enterprises experimenting with the shares system". The regulations demand that the increase in total wages must not be higher than the increase in the economic efficiency of the enterprises; that the increase in the average actual wages for workers must not be higher than the increase in the labour pro-

ductivity of the enterprises.

Under the above premises, the enterprises have the autonomy to decide the purchase of equipment, the conditions of employment, the terms of the labour contract and the internal system of distribution (which means wage differentials can be enlarged).

As ever, holy scripture has been used to justify an empirical turn. Liu Hongyu quotes from Marx to the effect that "capitalist stock enterprises like cooperative factories should be regarded as the transitional form in the transfer from the capitalist mode of production to combined modes of production" (*Collected Works of Marx and Engels*, Chinese edition, Vol. 25, p. 498).

However if we look at the entry on stock capital in the 1983 Concise Dictionary of Political Economy, put out by the People's Press, we find that such capital is "an advanced form of capital, which, on the one hand, causes capital to concentrate more and more in the hands of the few, and, on the other hand, strengthens the exploitation of wage labour hence causing a further aggravation of the basic contradictions of capitalism".

No arguing

In fact, the shares system experiment has no theoretical backup or guidance. When party leader Deng Xiaoping toured the south this year, his comments on the stock market were "observe it while firmly experimenting with it. If you think it's correct, let it develop. If it's incorrect, just rectify the mistake and close it down." Deng was against controversies over the capitalist or socialist nature of the shares system. He said "My one intention is to stop controversies. Not arguing will give us time. When arguments start, things turn complicated and nothing can be done".

This empiricism is today the guiding principle (or lack of it) of the Communist Party's rule over China. ★

Attacks on women

A new step has been taken towards the criminalization of women in Poland.

CYRIL SMUGA

ON October 22, a special commission set up to study the proposed law on "the juridical protection of conceived children" voted 12-6 to recommend that the proposal be adopted as law.

This is the most reactionary version of the law — one that had been drafted by the National Christian Union (ZChN), a fundamentalist Catholic party. The text can now be submitted to a vote in the Polish parliament, the Diet, at any time.

It prescribes two year prison sentences for the person considered responsible for an abortion. That is, the doctor, or in the case of a self-induced abortion, the woman. The use of certain forms of contraception which intervene after the fertilization of the egg, like the IUD or the RU-486 pill, which prevent the fertilized egg from establishing itself in the uterus, is considered as an abortion, and would therefore be subject to the same penalties.

Total ban on abortion

The ban on abortion will be total, without any exceptions, even in cases when the woman's life is in danger, the fetus is deformed or the woman has become pregnant as a result of a rape. In order to remove any temptation, the proposed law prohibits pre-natal exams.

It is generally estimated that there are between 180,000 and 600,000 abortions performed in Poland every year. The daily Warsaw paper *Gazeta Wyborcza* wrote that the passage of this law could result in the imprisonment of 60,000 people in the first year of its enactment, which would amount to a doubling of Poland's prison population! More seriously, the lumping together of abortion and certain contraceptive measures, would, according to the liberal weekly *Polityka*, lead to police gynecological examinations in the tradition of the practices of Ceaucescu's sinister *Securitate* in Romania.

The Catholic fundamentalists are ready to see this law passed at any price. "Under cover of a democratic debate we will see this law all the way through passage by the Diet" declared one of its supporters in the halls of the Diet. They enjoy the support of

the Prime Minister, Hanna Suchocka, who was the author of an earlier version of the law. Their opponents within the politico-parliamentary establishment seem on the other hand to be paralyzed by the fear of seeing a new governmental crisis break out and even more by the possibility that this will lead to a renewal of mass mobilization which, if successful, could rehabilitate collective action in the eyes of the masses. It is therefore likely that in spite of the rejection by the majority of the population, as seen in numerous public opinion polls, of any penalization of abortion, the law will be adopted by the parliament.

Foreign pressure essential

Only the pressure of foreign public opinion — to which the neo-liberals who govern Poland are sensitive — can avoid a sharp blow dealt to half of the Polish population and a big step forward towards the establishment of a religious state. ★

IV fund drive

OUR thanks go out to the following readers for their response to the *International Viewpoint* fund drive: J.A. (GB), B.H. (SWE), A.S. (USA), R.W. (USA), A.M. (USA), M.T. (GB), D.M. & B.F. (USA), T.V. (FRG), R.D. (USA), M.B. (USA).

IV supporters in Denmark have had a good response to a subscription drive launched over the summer. Perhaps to reflect the mass anti-Maastricht, pro-decentralization sentiment in their country, they have even taken over the work of handling the payment and subscriber complaints departments. This is a great help for both the IV team and Danish readers alike — a model which bears emulation the world over. Thanks, Copenhagen!

We are renewing our call for special donations to safeguard the future of *International Viewpoint* and the Fourth International's theoretical journal, *International Marxist Review*.

And remember the old watchword: if each current subscriber could find another, our objective of financial stability could easily be met.

The special introductory subscription offer is still good. First-time subscribers can receive IV for three months for only \$11/£6/60FF.

Please send subscriptions and donations to IV, 2 rue Richard Lenoir, 93108 Montreuil, France. Cheques and money orders should be made out to "PEC". And please indicate that you are contributing to the fund drive. Further payment details can be found on page 2. ★

Abortion referendum in Ireland

THE Irish government has scheduled a referendum on abortion in the wake of the case of the fourteen year-old rape victim, who had been initially refused the right to travel to Britain for an abortion earlier this year. The referendum, which will take place on November 26, will cover three points and will most likely be phrased as follows:

- It shall be unlawful to terminate the life of the unborn unless such termination is necessary to save the life, as distinct from the health, of the mother where there is a — non self-inflicted — illness or disorder of the mother giving rise to a real or substantive risk to her life.
- There shall be no limit on freedom to travel to another state.
- There shall be no limit to freedom to obtain or make available, subject to conditions laid down by law, information on services lawfully available in another member (EC) state.

A broad campaign called the Alliance for Choice has been formed to produce publicity material and coordinate activities in relation to the referendum. It is campaigning vigorously for a "yes" vote on information and travel, and against the first point. Most liberal and women's forces and bourgeois parties as well as Sinn Fein will call for a "no" vote for the first question. Only Fianna Fail, the government party, is calling for a "yes" vote on this question. The Catholic hierarchy has not taken a clear position, but individual priests are expected to use their pulpit for agitation around this issue.

In addition, the Repeal the 8th Amendment Campaign is continuing its calls for the repeal of the 8th Amendment. This amendment states that "The State acknowledges the right to life of the unborn child and, with due regard to the equal right to life of the mother, guarantees in its laws to respect and, as far as practicable, by its laws to defend and vindicate that right."

Solidarity from other countries is very important. The Irish government is very sensitive to international public opinion and is quite concerned about the image it got through the barbaric affair of the rape victim. Targets for solidarity pickets are Irish embassies, consulates and airlines (Aer Lingus).

For further information, contact: Repeal the 8th Amendment, P.O. Box 3441 Dublin 8 (telephone: 1 746113) and The Women's Coalition, P.O. Box 3514 Dublin 1 (telephone: 1 746113; Fax: 745186). ★

French government evacuates homeless Africans

SINCE May 21, 1992, more than 300 African families have been camping on the Esplanade de Vincennes, just outside Paris' inner city, demanding decent housing. They stayed there for more than five months in very difficult material conditions and, at the outset, under a strict police blockade aimed at preventing any improvement in sanitary conditions.

Over the past three years the Paris Region has seen an increasing number of such occupations, a reflection of the French capital's mounting housing crisis. Rents have been rising sharply since 1981, there have been big cutbacks in the construction of public housing while property speculation has flourished. In the Paris Region alone more than 300,000 people are homeless or without decent accommodation, while there are more than 300,000 recorded empty properties. A 1945 law allowing the requisitioning of empty properties remains a dead letter.

In September 1992 an "agreement" was signed concerning the Vincennes conflict which the families rejected since it gave no guarantees for the majority of cases, and required that the camp be immediately abandoned. Since then the authorities have broken off all negotiations.

The neo-fascist National Front (FN) has been agitating for the camp to be broken up and its appeal seems to have caught the ear of the authorities. On October 29, the police brutally evacuated the camp giving spurious "humanitarian" reasons, and pretending that the families would be temporarily rehoused. In fact hundreds of those from the camp have not been rehoused and are wandering the streets of Paris each evening looking for somewhere to sleep.

The offers made to the families are often indecent — for example a filthy abandoned hospital with 75 beds was offered as a home to 205 people who have preferred to camp outside. Hostels supposedly booked by the authorities are often not ready to receive the arrivals. A united committee has been organizing support for this struggle. Alongside housing campaigns it is continuing to demand the urgent rehousing of the hundreds who remain in the street, and a definitive solution to the housing problems of all those involved in the Vincennes camp.

The police raid on the camp has been met with indignation in the press and among public opinion — Cecilia Garmendia. ★

From Kuwait to Los Angeles

THE most significant result of the American presidential election is not the victory of Bill Clinton — even if he is being promoted as the new Kennedy for the 1990s (and the legend of Kennedy was largely a posthumous creation). It is the shattering defeat of George Bush, who just a year ago, was riding high in the polls.

After his victory in the Gulf War the outgoing president basked in imperial grandeur. The Battle of Kuwait was his Austerlitz, but a year later he met his Waterloo — in Los Angeles.

SALAH JABER

PRESIDENT BUSH inherited the mantle of Ronald Reagan, whose vice-president he had been. When the former actor took the helm of state, the American empire was in profound crisis. Nothing had gone right for the imperial United States; in the wake of the sharp blow to the prestige of the executive dealt by Nixon's Watergate scandals, Jimmy Carter took office on the "Mr. Clean" ticket to inaugurate a presidency that, in 1979, saw both the Sandinista revolution in Nicaragua and the overthrow of the Shah of Iran by Islamic fundamentalists. The same year saw the Soviet intervention in Afghanistan — Moscow's first military adventure outside its accepted sphere of influence since the Second World War.

This was the background when Reagan took control, dressed as an anti-Communist crusader. Drawing on his cinematic experience, he employed powerful Made in Hollywood images: cowboy, western, star wars, Evil Empire. The "Great Communicator" knew how to give his fellow Americans the illusion of restored glory. He had no trouble getting re-elected. His second term came at the same time as the beginning of the end of the Soviet empire, the very objective in whose name he had come to power.

The Reagan years saw a record-breaking military build-up, which had several consequences. The United States fitted itself out with a highly sophisticated array of means of destruction. Its superiority in military technology reached levels never seen before as its great power rival began to falter.

This was itself to some extent one of the consequences of Reaganite militarism: the debacle that Gorbachev presided over in the USSR was hastened by the exhaustion of the bureaucratic economy in the arms race imposed on it. The pursuit by the USSR of military parity with the US meant a much higher burden relative to its own national product than that borne by its rival.

From this point of view Clinton was not wholly right when he compared the triumphalism of the Republican administration over the collapse of the Soviet Union to the pretensions of a cock who

believes daybreak to be the result of its crowing. Reaganite militarism, supported by the interests of the famous "military-industrial complex" was certainly not the ultimate cause of the collapse of the Soviet empire, but it certainly speeded up its coming to fruition.

However, there was a less shiny side to the Reagan medal. Republican prodigality in arms spending did not only stretch

have sent any other economy to the bottom. The US is the ultimate example of the great debtor without recoverable property who the creditors cannot declare bankrupt because that would be the end of them as well.

Spendthrift on weaponry, but penny pinching cuts on social spending in the name of primitive social Darwinism. "Get rich", cried Reagan to an America already characterized by big inequalities. The result was that the gulf between the two Americas, that of the rich and that of the poor became vaster and more dizzying than ever. Enrichment at the top was less the result of economic growth than of redistribution at the expense of the most disadvantaged and of a policy of easy money for the privileged.

The Reagan legacy

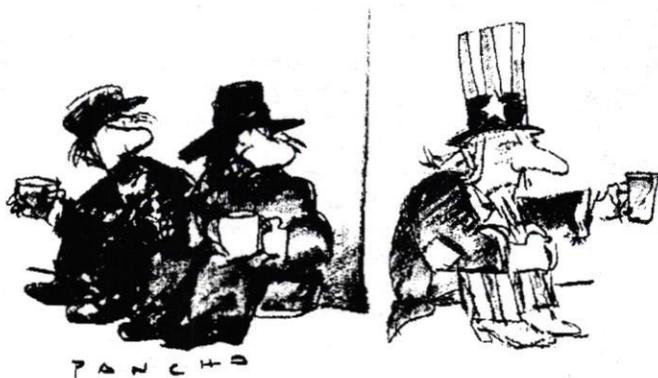
This was the America that Bush inherited and which he was to perpetuate. On the foreign policy front it was easy to flourish the super-sophisticated arsenal built up by Reagan in the face of an increasingly decrepit Soviet Union. Firstly on a small scale, with the invasion of Panama in December 1989 and then on the grand scale against Iraq in January-February 1991 — the biggest US military intervention since Indochina. That year was rounded off by the collapse of the Soviet Union.

Paradoxically, the fall of the USSR deprived Reagan's successor of his main argument. A world without the Evil Empire no longer needed "hawks" at the controls in Washington. Furthermore, the Gulf operation disappointed those who had believed in the mystification about the crusade against a new Hitler. Saddam Hussein is now able to draw consolation — albeit a very meagre one for the suffering Iraqi people — from having survived to see his conqueror's downfall.

In the United States, economic and social issues were again the centre of attention. This time Bush's luck was out. Starting in 1990, recession succeeded the largely artificial growth of the Reagan years. In this context, the consequences

of the latter's anti-social policies have become immediately explosive. And so the victor of Kuwait lost the battle of Los Angeles last April, before losing office in November.

Bush's election defeat sounds the death knell of Reaganism, which represented a rightward lurch by an imperialism in decline. Our bet is that his Democrat successor will have no more success in reversing the course of history. ★



Moscow to breaking point; it was also beyond the means of Washington. The Reagan administration saw the culmination of a mechanism at work since the Vietnam War whereby the US would get its imperialist partners to finance its wars, be they hot or cold.

Taking advantage of their privileged position as the keystone of the world capitalist market, the US ran up a colossal debt which, even in relative terms, would