

International

# VIEWPOINT

• February 1995 • Issue 263



**China,  
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**The high cost of market reforms**

**Mexico:**

**Interview with  
Zapatista leader Marcos**

**Moscow:**

**"Hands off Chechnya"  
demonstrations**

# Week of Action March 1995 Fighting EuroRacism

**by Ron Blom**

The revision of the Maastricht Treaty in 1996 will be an important opportunity for many social movements. It will be possible to demand the amendment of this Treaty, which increasingly determines conditions in each of the member states.

The European Anti-Racist Network met in Brussels recently to plan a range of common activities to increase pressure on the European Union Intergovernmental Conference in 1996.

The aim of the anti-racist network is amendment of Article K of the Maastricht Treaty, which deals with common policies on asylum, supervision of the external frontier of the EU, immigration policy, prevention of narcotics smuggling, and with police and customs cooperation. In some areas, common priorities of the member states are resulting in joint repressive initiatives. For example, the European Commission has proposed a list of 127 countries - covering most of the third world's population - whose citizens will need a visa to enter the European space.

In other areas, though, common European legislation could be an important step in improving the rights of those facing discrimination in various ways. We need more European directives like those which try to limit discrimination against women.

The question of family reunification is

particularly important. The lack of a clear common definition of a family often allows national governments to interpret legislation so as to deny family members outside the EU to join EU residents.

National Weeks of Action will culminate in an all-European demonstration in Amsterdam on Saturday 25 March.

The December 8-10 meeting in the offices of the Socialist Group of the European Parliament brought together the following groups:

<b>Belgium</b>	<b>MRAX</b>
<b>Britain</b>	<b>Anti-Racist Alliance</b>
<b>N. Union of Refugee Organisations</b>	
<b>France</b>	<b>Ras l'Front</b>
<b>Germany</b>	<b>Aktion Courage</b>
	<b>SOS Racism</b>
<b>Holland</b>	<b>Schools without Racism</b>
	<b>Nederland Bekent Kleur</b>
	<b>(Netherlands Announce Colour)</b>
<b>Ireland</b>	<b>Harmony</b>
<b>Italy</b>	<b>SOS Racism</b>
	<b>Nero e non solo</b>
<b>Portugal</b>	<b>SOS Racism</b>
<b>Spain</b>	<b>SOS Racism</b>

The participants established a permanent secretariat (c/o MRAX, 37 rue de la Poste, 1210 Brussels) and plan to launch a newsletter in several language versions, including English.

★

## Brussels, 18 March 1995 For a Different World Summit: The Other voices of the planet

One week after the UN summit in Copenhagen, the Brussels-based Committee to Abolish Third World Debt (CADTM) and other non-governmental organisations are hosting an alternative world summit. Sessions will cover debt in the South and the East, the Bretton Woods institutions, the United

Nations, and the role of Non-Governmental Organisations in the New World Order. ★

Contact: 'World Bank, IMF: Enough!'  
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## Hands off Chechnya!

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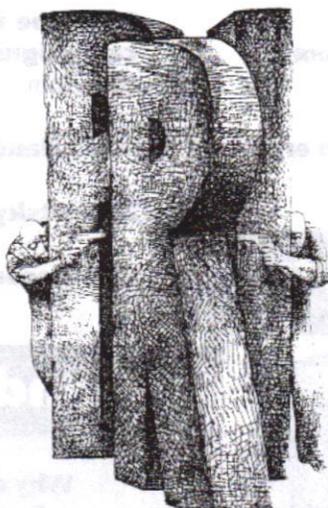
# Mexico: Low intensity civil war

One year ago, the Zapatista revolt opened an unprecedented crisis for the sclerotic 'Institutional Revolutionary Party (PRI) which has ruled Mexico since 1929.

The state of war did not disappear after the cease-fire of 12 January 1994. Nor did the silence imply that the PRI had decided to respond favorably to the popular demands for democracy, liberties and justice. The massive manipulation of the August elections, and the creation of a climate of fear by the PRI and the state, resulted in yet another PRI president, Ernesto Zedillo, and yet another illegitimate and unpopular governor of Chiapas State, Eduardo Robelo.

Unfortunately, the situation faced by the Zapatistas and their Mexican and international supporters is increasingly complicated. The fraudulent elections have sown disillusion and defeatism among democrats. The pathetic behavior of those leaders who now announce their willingness to join government-dominated structures have paralyzed the mass democratic movement. And only this movement can produce a solution which will avoid a military 'solution' of the situation in Chiapas.

The mass movement is not dead, far from it. But



in the continued absence of a decisive initiative from within 'civil society,' the Zapatistas have very little room to maneuver. As we go to press, they face the war machine of the Mexican state virtually alone. Some 60,000 troops (half the

Mexican army), supported by Argentinean 'advisors' encircle the Zapatista strongholds. The Guatemalan regime has deployed its 'Kaibiles' to seal off the frontier. These are the elite troops responsible for the virtual genocide against Guatemalan Indians in the 1980s. What will happen now? The economic crisis which exploded in December has changed a whole set of social factors. The legitimacy of the Zedillo regime has been challenged, at home and abroad. Zedillo blames the fall of the peso on the Zapatistas, but it represents the beginning of the disintegration of his regime, of a

society managed by just 40 billionaire families. This is no time to stand still. International solidarity should meet the challenge of the situation. The broad sympathy provoked by the plebeian Zapatista revolt should be channeled into concrete activity. Ordinary Mexicans are organizing for democracy, liberty and justice. Time to act!

Alfonso Moro

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Signed articles do not necessarily represent the views of the editors.

# Interview with Subcomandante Marcos

## Our arms are not negociable

**Dialogue with the state has proved impossible, and the political opposition has failed to mobilise sufficient forces to take over the leadership of the struggle.**

**For the time being, Marcos argues, a return to the armed struggle is the best way to galvanise public opinion and rebuild the opposition.**



### **Is your recent declaration a declaration of war?**

Marcos: The current situation is the result of government inactivity, not our military action. In his speeches Mr Zedillo talks of dialogue and negotiation as a solution, but he follows the same policy as before [that of ex-president Salinas who all through 1994 tried to let the conflict get bogged down]. They claim that the problems have been solved when they haven't and behave as if none of this year's events actually took place. Of course, the conflict isn't passing into the background, but on the contrary is becoming more acute by the day.

In January, during the hottest points of the war, we started to construct a very basic bridge between the two sides opposed on the battlefield. But by not tackling the problem and its real causes, and by letting time slip by, the other side let our bridge retract. This has weakened the possibility of reaching a negotiated solution.

We are not refusing to come to an agreement, but we don't want a secret dialogue. We don't want agreements linking us to the government to appear after negotiations in which witnesses were not present. We must look for some kind of arbitration, not in the strict sense of the word, but we should have someone to testify to the fact that there are two opposing forces sitting at the same table and that they must find a way to solve their differences in a civilised way, and not by confrontation.

### **But don't Zedillo's latest pronouncements show a different approach to that of his predecessor?**

Zedillo recognises that the effects of

poverty underlie the movement, ie that this phenomenon which could appear elsewhere. But as we learnt in February and March 1994, and in the San Cristobal de las Casas talks, the Mexican government can be very radical in its discussions and very reactionary in its actions.

### **At the foundation of the National Democratic Convention (CND) you claimed that the EZLN could not impose the war on the population. Isn't the last EZLN declaration in fact a decision to impose war on the population?**

You have to analyse the situation in the country. At the time of the August Convention, Mexican society was mobilised. There was a politically active civil society, made up of people who carried with them hope for change, characterised by powerful mobilisations, and committed to the process of passive and civil resistance in order to bring about a democratic transformation. In such circumstances, putting forward a military solution would have been counter to the wishes of the nation. But now, in December 1994, the situation is different. Certain sections of society are clearly waiting for someone to attract attention to them again, and to revive those social forces which are currently lying dormant, impotent and frustrated.

We are not declaring war, we are simply pointing out that a deadline has expired - the deadline announced on 17 November, when the Secret Committee [supreme leadership of the EZLN] transferred control to the military leadership. This was as if to say: the situation is getting tighter,

so again we must resort to the only course of action that is left to us. We are making a last desperate appeal to the government to indicate clearly whether it is really looking for a political solution. We are making an equally desperate appeal to the civilian population to commit itself to rallying together and recovering the space it occupied before 21st August and has since lost.

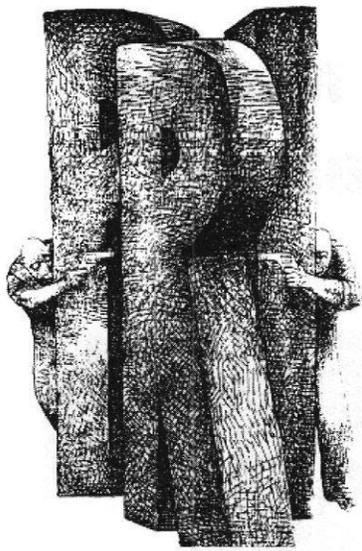
We don't see, and I say this in all sincerity, that anybody else is ready to throw open the doors - to mobilise civil society in peaceful struggles. However other sectors, the most dispossessed, those I call the 'basement' of the country, show us that our time has come again.

We can't accept that after our deaths, after all that has happened, history will begin repeating itself. The time of a return to 31 December 1993 is nearing. And as I have often explained, on 31 December 1993 we were on the verge of despair, and our action of 1 January 1994 was a desperate measure.

Civil action is on the decline and we are called to military mobilisation; this is how we read the situation

### **Almost 6,000 people came from all over the country to the foundation of the CND. Recently, the number is closer to 400. Isn't this collapse in numbers also the collapse of the project itself?**

This decline is first and foremost a crisis of the forms of organisation. It reflects the fact that the democratic movement in Mexico has outgrown its old ways of operating. I am talking about the whole spectrum: the far left, the left, and those sections of the centre who declare themselves in favour of democratic change.



The democratic movement has increased the number of meetings and mobilisations, without injecting a concrete project that would incorporate the particular mobilisation of any given moment. The problem with one-off or single issue mobilisations is establishing what can bring the greatest number of people together. Single issues always affect some people and not others. The only issue that really affects everybody is the war. That is what led to the big rallies in January and I hope it will have some effect now too.

Of course, this shows the lack of any new political force which is both national and modern and thus able to put forward claims that express points of common interest, connect all [progressive] sectors and above all define new ways of working and organising. We still think that the National Democratic Convention can succeed in playing this role. If not, then another type of movement will take up this role.

### **But what military or political successes can you hope to gain from this return to the armed struggle ?**

Since January we have been driven back militarily but not politically. Unfortunately if we are also being hounded politically today it is not by the government but as a result of the crisis in other social sectors which had previously given us a voice not so much as interlocuters but in taking up our claims and putting them into practice. When they begin to ebb we can only hold on to what we have. If people are receptive to the political effects of us having arms and of us showing them without using them we will do it. But if none of that happens we naturally reach the conclusion that arms will give us the space to manoeuvre again and open hostilities to put us back in the political arena.

We are now in a more tense military situation than in January 1994, less balanced in our favour. We no longer have the element of surprise and the enemy can

see ways of wiping us out. I must stress that in these conditions we can not resort to guerilla warfare because the very conception of our army is deeply rooted in our people. We can not take soldiers away from their families and leave them defenceless. We should either leave, taking the families, or stay with them.

The Zapatist military forces have been driven back, but Zapatism extends throughout the Chiapas territory in practically all the rural areas and in certain urban areas. It is these Zapatista areas that are suffering the most deaths disappearances and repression whether it is done by the government or random acts of federal soldiers assassinations by the 'white guards', brutal evacuations and the cruelty meted out by the justice police and the public security services. In fact the whole peaceful civil movement is suffering a growing and increasingly violent repression and is telling us that the moment has come. Our comrades everywhere are telling us: if the ceasefire is broken why should we respect it? You have your armed men and your army is ours, you must defend us, you must do something; if not why have you taken up arms?

### **You wouldn't talk to Camacho, you wouldn't negotiate with Madrazo, and now you won't negotiate with Zedillo. So who are you willing to negotiate with?**

In the course of talks we must see a willingness to try and resolve the conflict by other means ie be ready to make profound changes to the social structures of south east Mexico.

I don't think the State will be open to this because one of two parties will have to be sacrificed: either an indiginous movement with no structure that would allow it to take a share in the national economy in other words an indiginous sector which is not profitable not even as a labour force; or a sector that is not profitable in the plans to modernise the economy of Mexico, the sector of large scale farmers and landowners - even from the point of view of their production methods - which in political terms represents a major obstacle to any reform however silent it might be.

### **In August you said the elections could result in a peaceful transition to democracy. Did the PRI victory make this impossible?**

We don't think so. The structure of the PRI goes beyond a party structure and is closer to the structure of a political system. To carry off a victory or gain a

position the PRI is making a lot of compromises and is paying out a lot of bribes. In concrete terms in the state of Chiapas it is making compromises with indiginous village chiefs, the big farmers and wholesale merchants. How can there be any form of democracy with structures that harbour anti-democracy at the regional and national level throughout the country? What gives rise to the power to dominate at a federal level is also what gives rise to domination at a local and regional level.

A process of democratisation implies sweeping away the system of the Party State, and that means sweeping away the party that embodies it.

### **Can Zapatism develop a political wing, separate from the military struggle ?**

The problem of Zapatism today, in military terms, is that it is cornered in one part of the country and that politically it is running up against many obstacles with its interlocuters. It is armed and therefore illegal. We are disguised - in other words we have no identity. So the role of Zapatism is limited to appeals which it can make "from the mountains of south east Mexico" as we say, urging other sectors to mobilise and take action.

We think there could be an unarmed Zapatism that could launch the same appeals as us but from a legal base. But as Tacho said when he entrusted the Convention (CND) with this task, you can't offer the people new wine in old bottles, a new man in the body of an old man. We call ourselves something new, but we are part of the past, of a past which led to a failure. We nourished the scepticism and frustration which led to the creation of a guerilla army. Because the creation of the EZLN was the responsibility of the opposition political parties and organisations, which failed to offer a convincing alternative to certain layers of the population.

The demands of the EZLN are the same as those of the opposition. Why does the one provokes so much fear and the other so much scepticism.

In January 1994 everything was very simple. There were the good guys - us, and the bad guys - the others. But after the cease fire, the world became more political and less military. In entering politics we had again stepped into an area that we did not know and again we made mistakes. But we still have the possibility to take a step back; after our failure in the towns we managed to win back our mountains. If we suffered a defeat in politics we can always fall back to the armed struggle.

### Falling back, or beating a retreat ?

Is it suicide to break the cease fire or to engage in military action given the military balance of forces? I don't think so. The balance of forces on the battlefield is not a good guide: if it was, then the events of January 1994 would not have taken place, and we would not have been born. From the military point of view the EZLN is absurd. What makes it a tangible reality are the claims that it upholds.

### How is morale?

We feel trapped. We see that we might have been mistaken in looking for a peaceful solution. We recognise that we were tricked that we shouldn't have accepted the January ceasefire, that the country needed bullets and fatalities, that dialogue was probably premature, and so

was the ceasefire. What we should now do is what we should have done before.

### But one day you will have to talk with the enemy.

We need a sign from the enemy: is he willing to hold talks, or will he carry on killing? When he says that he wants to talk, is he preparing to wipe you out? In such a case, you tell your forces to prepare for battle. For the moment, authority rests with our military leadership. If we see that the enemy is willing to solve the conflict at the political level, then we will return the leadership to the Committee, as in February 1994. But the members of the Committee still see nothing, not the smallest sign that the enemy would like to follow another path than surrender or confrontation.

The situation at Chiapas in December 1994 was the same as in December 1994. So what was the use of the consultation and concessions inbetween- what good is all that if everything goes on as before?

### Chiapas governor Eduardo Robledo says he will resign if you lay down your arms

The government is not taking the situation seriously. This 'offer' is a joke in bad taste. It is playing with fire to propose to us that they will change a governor that they imposed against a movement is based on justice and dignity. We refuse. Zapatist arms are not negotiable! ★

Reprinted and shortened from *La Jornada*, Mexico, 7 December 1994

# Mexico: penthouse, ground floor and basement

By MARCOS

THERE ARE 2 ways into Mexico. You arrive in lower class Mexico on foot, in tears, in the dirt. You arrive in upper class Mexico by plane. An airport in Mexico, Monterrey, Guadalajara or Acapulco opens up to an escalator which goes neither up nor down but runs horizontally along the area consisting of the 24 greatest fortunes of the country, the alleys of modern Mexico, the government headquarters where neo-liberalism is administered, the employers' circles where the national emblem is flaunted more and more, the tourist centres whose real function is to hold up a mirror for a class who does not want to see what is under its feet: a long staircase, a labyrinth, which leads to basement Mexico, on foot, in the dirt.

Perched on the blood and dirt of the people who live in the basement of this country, the 24 all powerful are busy counting the 44 billion dollars they have offered themselves in six years of modernisation.

Upper class Mexico does not have any foreign ambitions. To have foreign ambitions it is necessary to have a national identity, and the only nation they talk about, in all sincerity, at this superior and ever more exclusive level, is the nation of money. And this nation knows nothing but the indicators of loss and profit.

The course of history is forged through the stock exchanges. Successful dealers on a roll are our modern day heroes. By some quirk of the 'other' (ie true) history, this upper storey, rather than growing, is shrinking before our very eyes. Those who belong to it always seem less numerous. Sometimes delicately and sometimes very brutally, the incompetents are pushed towards . . . the stairs. The upper class Mexican escalator goes neither up nor down. To get off you have to make your own way down, until you reach . . . middle class Mexico.

Middle class Mexico is urban. You get there by car.

Everywhere in the country, middle class Mexico is a carbon copy of the capital. Its image is accurate in one thing: it not deny the contradiction of the extremes of rich and poor living side by side. Middle class Mexico stinks.

Something is rotting in its heart, with the gradual disappearance of the collective spirit. The Mexico of the middle classes has its sights set on higher things. Something tells it that the road to the top in Mexico goes through a country which is not this one. Something else warns them that, from here, you can fall to lower class Mexico almost immediately.

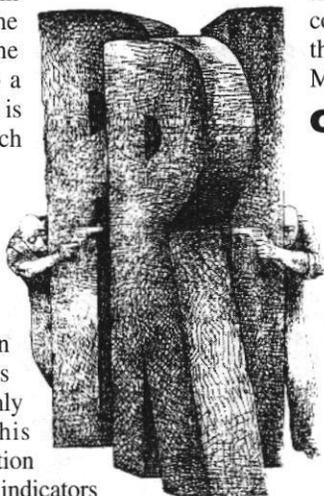
### Ground floor Mexico

Lower class Mexico lives in perpetual conflict with middle class Mexico. In the 17 Mexican states who register as 'middle', 'low' and 'very low' on the scale of marginalisation, half the inhabitants live on top of each other - more than two people per room. Fifty percent of Mexicans in the 'middle-ranking' states earn less than double the minimum wage, which shows that they are living in poverty (in Tlaxcala state, three quarters of the population live in poverty). The lowest level of Mexican society have nothing, but are not aware of it. They are already aware of

the problems of overpopulation. They are millionaires in misery and despair. They are there in the towns and the countryside, in the mistakes and the falls, in the battles and the defeats. They are right at the bottom, so low that it seems as if there could be nothing lower. You can hardly see the little door that leads down to basement level Mexico...

### Basement Level Mexico

You arrive on foot, barefoot or in sandals or rubber shoes. To get there you have to go down the course of history and follow the path of second class citizenship. (Continued)



## Basement Level Mexico (cont.)

When Mexico was not yet Mexico, basement level Mexico was already up and running.

Basement level Mexico is 'indigenous' because 502 years ago Colon believed that the land he had reached was India and ever since then the natives of these lands have been called Indians. It might be indigenous, but for the rest of the country, basement Mexico does not exist. After all, it does not buy, sell or produce anything. And this is tantamount to not existing.

In January 1994 the whole country became aware of the existence of this basement level. Thousands of indigenous people, armed with truth and fire, honour and dignity, snapped the country out of its gentle thoughts of modernism. 'Enough' they shouted - enough dreams and enough nightmares! Ever since the army and the church took possession of these lands, this voice has resisted a war of extermination. The addressors are now equipped with space-age technology. Satellites and infra-red beams watch the movements of the rebels in the basement, surveying their centres of rebellion and pointing out on military maps where to plant bombs and cause death. Tens of thousands of olive green masks are preparing a new and even deadlier war. They would like to bathe their honour as servants of powerful masters, as accomplices in the unjust distribution of pain and poverty, in the blood of the indigenous peoples.

The indiginous followers of Zapata will pay for their sin with blood. What sin? Why that of dissatisfaction with charity, and that of demanding democracy, freedom and justice for all Mexico; the sin of calling out 'everything for everyone, nothing for us!'

Those who deny the indiginous Mexican peasant the possibility to understand the concept of 'nation' force him to turn towards his past. In fact, this is what binds him to the Nation, and is also his unique and only possibility to survive as indigenous. In pushing him towards his path, 'they' reproduce the division into social classes or into categories of citizens (which is only a disguised form of the latter). The indigenous people belong to the most inferior category, that of 'citizens in the process of formation'.

Those above come down to the basement from time to time, searching for something which might be useful on the higher floors, or to repair a fault which endangers the stability of the building as a whole.

Basement Mexico is the greatest threat to the great promotional sale that the upper class of Mexico is organising. Basement Mexico has nothing to lose and everything to gain. Basement Mexico is not surrendering or selling out, it is resisting.

In August 1994 a voice emerged from the basement. It was

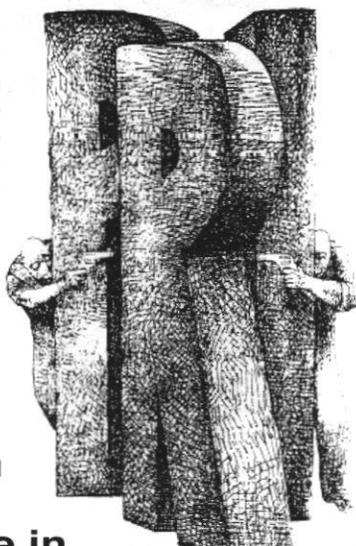
# Subcomandante Marcos' three Interpretations of the Election Results

## First interpretation (based on the propaganda machine and the media)

Fifty percent of Mexicans are happy with the way modernisation is being managed (in other words, happy with the existence of the 24 key people in the world of money). They are proud of national history (in other words the 65 years of PRI history) and see the future optimistically (in other words, they are delighted with the prospect of moving into the next century under the wise leadership of the PRI). They benefit from the backing of the irreproachable Government Secretariat, from groups of PRI observers, from private enterprise, from the U.S. Government and from the International Monetary Fund. In other words, these happy people have the backing of the true masters of this country.

## Second interpretation (based on the little honest media we have in this country)

The basement level of Mexico is divided on the interpretation of the recent elections. The weakest (in morale and property) see it as a defeat and in searching for the guilty, catch sight of them, out of the corner of their eye, near themselves, among their fellow men. Those out of line



with the debate (who aspire to advise the victors, and find themselves criticising the losers) distribute, without the least modesty, labels suitable for classifying the unclassable: 'reformers in arms', 'disarmed revolution'). They interpret the failure in terms of strategies, tactics, arbitration, circumstances, conjecture, attitudes and deceptions. All things considered, defeat is for those who did not follow their advice. The most indecisive see disenchantment. Defeat is for those who had faith in the Mexican people. The most frustrated interpret defeat as demonstrating the uselessness of conflicts. They lose hope faced with a people who refuse to be bought by such brilliant redeemers.

## Third interpretation (still to be made)

In the basement, they do not know how to read. Illiterates look for an interpretation elsewhere, they interpret for themselves, they speak using ancestral codes, with images of times gone by, with the sounds of the olden days, they communicate by underground channels. They say and repeat that change is built from the bottom up. Scepticism does not remain static with its arms folded. It patiently sharpens the tender point of hope. In basement Mexico you guess at the truth: even with hyper-fraud, two tiers of the electorate voted against the PRI. The majority of the country wants a democratic change and to be rid of the Party-state system. ★

not a wacry, it was not trying to turn the clock of history back 502 years and it was not claiming to be avant-garde. 'Everything for everyone, nothing for us' the thousand year old voice calls out. The voice without a face, of the multitude that was brought together in the National Democratic Convention (CND). This voice knows precisely whom it is addressing. It speaks to lower class and middle class Mexico. 'Don't let blood be spilt in vain! Don't let death be in vain!', the mountains proclaim.

## The women's nightmare

Let this also be a revolt of women: a double dream, a double nightmare, a double awakening!

If the divisions between Mexicans are more or less clear to men, they have additional effects on women. This generates both submission and revolt. A woman in upper class Mexico seeks to confirm her status as a piece of lace, an office decoration and an 'effective' manager of family well being (in other words, assuring the maximum frequency of excursions to McDonald's). In middle class Mexico she remains confined to the ancestral cycles of daughter-fiancee-wife and/or lover-mother. In ground-floor and basement Mexico her nightmare is doubled in the private microcosm where the man dominates and commands.

For the women of the ground floor and basement, everything due to women is doubled (except the respect). Illiteracy rates, miserable living conditions, low salaries and marginalisation are growing into a nightmare that the system prefers to ignore, or to camouflage behind statistics that overlook the sexual exploitation which shapes exploitation in general.

But now something is rising up against this double submission. The double nightmare is creating a double awakening.

Some women from the bottom, and from even lower, have spoken up against their present lives, and against the past which threatens to be their future.

Th consciousness of humanity comes through the consciousness of feminity. Identifying herself as human demands identifying herself as female and fighting. They no longer need to be spoken for. Their voice borrows the double path of revolt under its own impetus, the double impetus of rebellious women.

## Cardenas and the PRI

A government of transition and change is necessary for democracy. We need the formation of a great bank of opposition, which gathers together all those millions of Mexicans opposed to the state party system. An uprising of hope. As soon as he was attacked and slandered by the state party methods of the numerous servants of power, Cuauhtemoc Cardenas became the indisputable representative of the Mexican forces of democracy. Today confined, including by the members of his own party, to an apparent position of intransigence and willfulness, the general's son has only acted in accordance with the fight he started in 1988. He has already been attacked and presented to public opinion as the instigator of violence, extreme opposition, chaos, disorder and anarchy. But it is the opposite which has come about. In the August 1994 elections Cardenas represented the hope of a passive change for millions of Mexicans who live on the ground floor and basement of Mexico. Not only for the disinherited but also for the middle and well off classes. Before August 1994, the way to a civil and passive transition to democracy, liberty and justice was personified in Cardenas who was a serious, honest and effective leader.

When he declares that no one can claim to have won an

electoral round more deceitfully than the one that has just taken place, Cardenas is being true to himself. However, in his own party, certain leaders, at different levels, are singing in hushed voices the swansong of one of the most remarkable figures of the democratic fight in the last decades.

## The CND gives us hope

The day before the elections, a new national political force started to take shape. The National Democratic Convention benefits from the freshness of youth which forms its core, and from its popular front character. Established in every state, CND is called on to take

charge of the void on the left in Mexico. Something broke in 1994: not only the false image of modernisation that the neoliberalists sold us; not just the lie of government projects; not only the iniquitous neglect in which the homeland confines its original inhabitants; but also the rigid schema of a left condemned to live from the past and in the past. In this long journey from pain towards hope, the political fight is divested of those oxidised characteristics that pain has dressed it in; it is hope which drives it to search for new ways of fighting, new ways of being political, of engaging in politics. A new politics, new political morals, new political ethic

This is not only a wish, it is the only way of making progress, of jumping to the other side. August 21st marked the end of a long cycle of fighting for democracy, liberty and justice, a cycle charged with heroism and sacrifice, of devotedness and perseverance. You can see the advances, and if the fog lifts, you can see clearly that they are no less numerous or significant. The Convention assembles on one hand a group of important intellectuals, scientists and popular leaders, and on the other hand the best of civil society in the provinces as well as the capital: housewives, the inhabitants of populous areas, peasants, indigenous people, communication workers, labourers, employees, teachers, artists, the religious, and women activists. Today the best of the Mexican people meets in the CND. The reality which appears in most difficult moments of our contemporary history: of men and women with or without a party: some of the names and faces which figure in any historical almanach of any political organisation, badly thought of and reduced to anonymity by the avant-gardists - so avant garde they find themselves totally alone.

CND could be the place to create this great force of opposition that the wind reclaims, and which exhales the homeland, that we, the most humble, hope for. While millions of exhausted Mexicans go on as before, taking up their arms, the National Democratic Convention has the say. The possibility of a passive transition to democracy, liberty and justice is in their hands.

CND can band together the honest forces which oppose the lie that governs our country. The current hope for a national revolutionary movement for turning the shameful page of history that is being written today in Mexico, is in the hands of the National Democratic Convention. ★



# The imaginary Zapatist Recollections and commemoration

**Revolutionary leaders like Emiliano Zapata have been absorbed by Mexico's Institutional Revolutionary Party (PRI) into a sanitised official history of the Mexican revolution which justifies the betrayal of the hopes of the poor.**

**But as Olga Odgers explains, the Indians of southern Mexico have their own version of history, passed down to today's generation by the children of those who followed Zapata. This collective memory celebrates Zapata's Indian origins and culture, his radical defense of Indian interests, and his assassination by the regime which became the PRI. The romantic myth of Zapata has expressed the bitterness of the Indians of Chiapas for over 90 years. It is an important element in the creation of a new radical movement among the dispossessed of 'basement Mexico'.**



**Reprinted from Tlalticpac, Jan-Feb 1995**

THE GROUP of Indians that took up arms on 1 January 1994 called themselves the Zapatist Army of National Liberation. Why have Chiapas Indians chosen a hero born in the centre of Mexico, a principle figure in official history?

This choice is contradictory and relevant at the same time. It can't be understood in depth without analysing the process through which the image of Zapata (and thus that of Zapatism) has emerged during the last 84 years.

The Mexican revolution (1910) left a deep scar on the population's experience of life. In the south of Mexico it is characterised by its Zapatist element. Zapatism was the movement led by Emiliano Zapata, a movement which took account of his helplessness in Morelos state, where the majority of the population were half-caste. Zapata was himself a half-caste peasant who spoke Spanish as his mother tongue and who declared himself a Catholic, like the majority of Morelos peasants.

Chiapas, in contrast, has always been a much poorer state than Morelos, characterised by a high proportion of indigenous population, with the Tzeltal, Tzotzil, and the Tojolabal the most numerous groups.

After Zapata's death, Zapatism entered a period of reinterpretation. This came about through two essentially different processes.

On the one hand the people who had

lived Zapatism, having kept track of their experiences, started to relate their memories. During this process the myth of Zapatism came about. On the other hand, the need to legitimise the new government implied the creation of an official history, in which Zapatism should to be included. This process of writing 'The History' gave place to the concept of Zapatism. The Zapatism of 1994 reopens the question of the official concept of Zapatism and transforms the myth created in the last 84 years.

SINCE 1910 THE life experiences of Zapatism were discussed among members of the same family, village, work centre etc. The collective memory began to work taking on above all the sensitive emotional part of each experience. The emotional side of the real life experience is the real content of the accounts: the truth of the facts is less important.

At a popular level the aim is not to retell global events, but personal experiences, where 'fantasy' plays an important role. The population of a village wants to sing the song of Emiliano Zapata, to tell the most amusing anecdote, or repeat the most heroic episode.

At the same time, the group in power starts to construct an official history. The new governors integrate all the popular leaders in the account of their own arrival in power. The construction of this

'History' draws its legitimacy from its rational character: it has to be justified by reason and by 'facts.' It is therefore necessary to iron over all contradictions between facts and arguments, so as to present a logical progression of events, defining a process of emancipation where all popular aspirations have been preserved.

Those at the top are trying to bask in the charisma of all the heroes they can evoke. All the institutions they control - notably the schools, museums, and the media, are orchestrated to promote this official 'memory.'

So on the one hand we see the development of an image based on experiences, in which reasoning is less important, and where the sensitive aspect constitutes the centre of the story. On the other hand we find a rational elaboration which claims to be a true account of the story. In the first case the emotional charge is the constituent principal, in the second the concern of legitimacy, pursued through logical reasoning is the guiding principle.

THE END OF THE revolutionary process was marked by the retaliatory massacre of the revolutionary factions, the assassination of Zapata by Carranza, of Villa by Obregon and of Obregon by Calles. However the need to legitimise the new government drove its leaders to declare themselves heirs to all the regional leaders. They created the concept of the 'revolutionary family' and began telling a story in which everyone had been fighting for the same cause.

The creation of the official version started just after the rise to power of the last of the revolutionary leaders, Plutarco Elias Calles. The government seized a period of stability to rid itself of those ideals that it considered too revolutionary.

The 'Pantheon' of revolutionary heroes had to undergo a similar transformation. In particular the demands of Zapata were altered. Direct ownership of the land by those who worked on it became the establishment of an institution whose objective was to find a less polarised distribution of land ownership. The inhabitants of Emiliano Zapata's home village, Anenecuilco, did not receive any land in 1927 (17 years after

the beginning of the revolution). For the majority of Mexican peasants the revolutionary law became the promise of land and not the land itself.

In the official text book for the fourth year of elementary school Zapata and Villa are presented under the title 'The Beginning of the Revolution' as peasants who followed Madero. After the assassination of Madero they were labelled (with no distinction between them) as those who wanted to 'change everything quickly'.<sup>1</sup> Following this passage, the arrival of the 'hero' Carranza is described. There is no longer any mention of the struggle of Zapata and Villa who were still very important.

In this book the second and last

mention of Zapata by name is in the section 'Reconstruction and Development'. The title is revealing: in order to embark on development (modernism) it is necessary to off-load traces of the past and traditions that do not correspond to the age of Progress. The title also suggests that the revolutionary process does not constitute an element of the formation of a society, but of its destruction. So, development should be started by rejecting all destructive revolutionary elements.

In the only paragraph to mention Zapata by name, the text reads: 'the differences of opinion among the leaders and the general unrest caused by the great changes that the revolution brought

about, complicated the restoration of peace to the country. Some of the great revolutionary leaders such as Carranza, Zapata and Villa were assassinated.'<sup>2</sup> It is never stated that they assassinated each other and the assassinations are shown as the consequences of habits of a previous time that were swiftly stamped out.

After the assassination of Carranza, Villa and Zapata the official version states: 'elections were reestablished and changes of government took place peacefully.'<sup>3</sup> [...] In order to strengthen the sense of unity one political party in which different opinions were debated was created. In 1929 that party dubbed itself the National Revolutionary Party and some of the ideals of the revolution were

## The collapse of the model

The Mexican peso lost half its value in ten days in December 1994. The country is back where it was in 1982. This is more than a setback for the neo-liberal model of third world economic reform. The failure is based in the essence of the model. International Viewpoint has always pointed to the monstrous social regression such policies have meant wherever they were applied. But as Maxime Durand argues, the Mexican crisis demonstrates that, even in terms of capitalist economic logic, the model simply doesn't work.

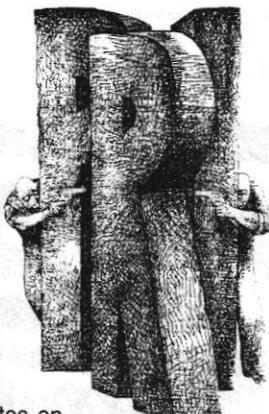
Mexico is a dependent country which has increasingly opened its economy to the world. The formation of the NAFTA common market with the U.S.A. and Canada on 1 January 1994 was the concretization of a policy begun in 1986, when Mexico adhered to the GATT free trade agreements. Current policies have been followed for long enough for everyone to see what the results are. True, Mexico has increased its capacity to export towards the United States dramatically. But its capacity to import from the North has increased much quicker.

With oil revenues already committed to paying back foreign debts, this trade imbalance has led to a US\$ 24 billion trade deficit in 1994 - representing 7% of GDP.

The neo-liberal gamble to plug this gap was to attract massive amounts of foreign capital, by making available a cheap, relatively skilled work force, removing all controls on investment, guaranteeing high interest rates on deposits, and fixing the exchange rate. The events of December show that two thirds of the capital attracted was volatile and speculative, attracted by the promise of privatisation, and by the security of guaranteed interest rates. Attracting investment in productive capacity was much more complicated. The upturn in the U.S. economy did not generate sufficient new orders for Mexican exporters, and the NAFTA agreement did not produce enough relocation of North American production south of the Rio Grande. Europeans should bear all this in mind when they read that it is the low-wage countries of Southern Europe which cause high unemployment.

The fragile balance of the Mexican economy could have been overturned any time over the last couple of years, particularly since 1994 saw not only the Zapatista uprising, but violent tensions inside the ruling PRI party.

Indeed, there was a mini-devaluation of the peso earlier in 1994, as well as a rapid decline in the Bank of Mexico's hard currency reserves, which fell from US\$ 24 billion in December 1993 to US\$ 14 billion in December 1994. The authorities decided to allow the peso to find its own level, at which point the whole system imploded. The US Dollar shot up from 3.44 pesos on 1 December to a high of 6.0, settling at a new rate of 5.5 pesos. In only one month, the peso had fallen to its level in December 1987, the date when a currency reform stripped six zeros from the old peso and fixed the exchange rate against the dollar. For a few years, this enabled the government to suppress inflation. But the cost was a revaluation of the peso, which increased 60% against the dollar.



Twelve years ago, a financial crisis forced the Mexican government to devalue the peso and adopt neo-liberal economic policies. This meant redefining the class alliance between the PRI bureaucracy and the various fragments of the bourgeoisie, and modifying the political regime which had been in force since the end of the Mexican revolution.

The logic of these twelve years of neo-liberalism is stark: unhealthy and unbalanced fast economic growth, coupled with terrible social regression. 'NAFTA to the North, the Zapatistas to the South!'

The neo-liberal experiment has failed. There is no solution for the Mexican bourgeoisie. They will be obliged to implement a massive austerity policy, to compensate for the flight of capital which has only just started, and which none of their neo-liberal recipes can stop. Bleeding Mexican society dry will provoke massive shocks to the social and political system. It is high time for the Mexican left to propose a popular programme based on refusing to pay the debt of a crazy policy which only ever benefited the privileged layers of society, who are now hurrying their capital to safety in U.S. bank accounts.

by Maxime Durand

This article was first published in the French weekly Rouge



reflected in its ideas and plans. Later it became the Institutional Revolutionary Party.<sup>4</sup> This party is still in power today.

The Indians have always been the most marginalised section of the population,

ever since the colonisation of what is now Mexico in 1521. Yet they are not mentioned once in the whole history of the revolution in the text-books produced for elementary school.

These books do not describe the situation of the Indians, before, during or after the revolution. It has already been forgotten that several Indian languages were spoken in the Zapatist army and that as a half-caste Zapata spoke Nahuatl as well as Spanish.

Finally, the official version forgets that the most brutal massacres during the revolution took place in Indian villages.

The collective recollection of these events can only exist through the memories of those who lived through it. In contrast, no-one can remember an official history. Any official history is a kind of artificial memory. Its creation will always be a form of commemoration.

To take an example, the Mexican government long ago created a museum at Anenecuilco. Every 8 August the regional and national public servants gather in the little museum to pay their respects to Zapata on his birthday 'but they usually leave by the end of the afternoon before it starts raining and the village remains melancholy and silent under the beating sun.'<sup>5</sup>

IV 'MANY PEOPLE REFUSE to believe that Zapata is dead. Strange stories began to spread... that the body that they had been were shown was not really Zapata's. It was a kind of consolation to believe that he was not dead... In the final analysis... it was a way of staying faithful to the leader after he had gone.'

John Womack<sup>6</sup>

In the myth of the revolution, Zapata began to be associated with the hope of peasants. He became the image around which they rallied. Some surprising processes took place, such as the

association of Zapata's image with that of the Archangel St Michel (the patron saint of Indians). He became the symbol of their hopes as well as their waiting. 'I thus came to know a people waiting for a caudillo [leader] to come. They called it Quetzalcoatl, the Archangel, Zapata. A real caudillo, with obsidian teeth, invincible rifle and dazzling sword. They were waiting for it.'<sup>7</sup>

Some legends said that Zapata was not killed, that he was living in hiding, waiting for the precise moment for another uprising. Even though after the biological age of Emiliano Zapata made his reappearance impossible, the population continued to wait.

Emiliano Zapata constituted the greatest source of hope for a generation who was living in desolation, he constituted the axe around which all transcendent experience was expressed. This is valid for the generations who were still very young at the time, those who learnt through experience, perhaps still very naive, but certainly direct and fundamental. It is also valid for the generations who experienced it through their grandparents' accounts. The transmission of experience through the generations conserves a large part of the emotional charge of the original experience.

Unlike the official history, the collective memory has not forgotten Zapata's assassin. A popular song from the south of Mexico still says:

*'Chinameca is dead*



*the peasant of the south  
by the vile treason*

*of the partisan Carranza, Guajardo'<sup>8</sup>*

The song emphasises that the method in which Zapata was killed transgresses a code of honour. Retelling the account of this treason is a central element in perpetuating the emotional charge of the memories.

Another element of the song is interesting in the light of new events:

*'Zapata said to Pancho Madero  
when he was already president*

*if you don't give them land*

*you will see the Indians fight again'<sup>9</sup>*

The collective image remembers that, despite his half-caste origin, Zapata 'loved the Indians and wanted to help them'. The Nahuatl accounts have not forgotten that the leader spoke their language.

*'Like the land, he was patience and  
fertility, silence and hope, death and  
resurrection.'*

Octavio Paz<sup>11</sup>

As we have seen, since 1910 the image of Zapata has run along two different paths. On the one hand, there has been the development of a concept of Zapatism giving legitimacy to the post-revolutionary government. On the other hand, collective memories, incorporated into popular tradition, have kept their emotional charge, their power as the receptor of collective hopes.

The image created by life experience is a dynamic element, capable of crossing geographic frontiers, it is an element transmittable through time, which does not lose its emotional charge and which is capable of adapting to different situations as it incorporates contradictions. The Mexican government today finds itself face to face with the same image which frightened Carranza's government at the end of the revolution. But this time the image also contains the accumulated hopes of almost a century of injustice and poverty. ★

#### Notes

- 1.- SEP, Ciencias Sociales (4th year) p.131
2. - SEP, Ciencias Sociales (4th year), p.134
3. - SEP, Ciencias Sociales (4th year), p.134
4. - SEP, Ciencias Sociales (4th year), p.135
5. WOMACK, op cit, p.381
6. Voices of Mexico, April/June, 1994 p.95
- 7.FLORES CANELO, Raul. Presentation a La Espera.
8. 'Corrido del General Zapata'. Cancionero Popular Mexicano p.397
9. 'La muerte de Emiliano Zapata'. Cancionero Popular Mexicano p.414
10. Voices of Mexico, April/June, 1994 p.e95

# Indians unite for autonomy, land and justice

**The Zapatista uprising testifies to a new radicalism of the indigenous peoples of Mexico. An impressive range of Indian organisations drafted this declaration during the November assembly of the National Democratic Convention. They call for autonomy, and for full involvement of the Indian masses in common struggles for land, liberty and justice.**

For over 500 years, we Indian peoples of Mexico have suffered marginalisation, poverty, discrimination, exclusion and contempt for the cultural forms of our social and communal life. All through this period, there has been an attempt to convince us that our problems are the consequence of our cultural level. But now we are aware of the real situation, that what we, the Indian peoples, are subjected to, is a direct result of the fact that we have been excluded from power, from the possibility of taking part in the national decisions which concern the whole country - the regions, the municipalities and the communities where we live. So this is not a problem created by our culture but by the absence of a political power which acts for our people. However power is divided, the Indians are always excluded.

The problems of the Indian peoples of Mexico will not be solved by the adoption of economic and social programmes or projects alone. The experience of the past five centuries has clearly taught us that unless these programmes rely on the participation of the indigenous peoples working under their own authority, on the basis of their own conceptions and equipped with sufficient power, they do not offer a far-reaching and enduring solution to marginalisation and poverty. Deprived of power, the partial and unarticulated programmes that the government is proposing have no positive effect.

Our historic experience is one of deprivation. We have been deprived of our territories and resources, of our land, of our own forms of social organisation and often of our language, clothes, celebrations and ceremonies. They wanted to strip us of our roots and identity; they even want to strip us of the whole future of our society, groups, and peoples. Throughout this painful process, all right to participate in the political and national power structure has been taken away from us. This despoilment is accompanied by imposition: the imposition of authority of forms of organisation, of methods of exploiting and working the land, on health care and education. We have had government programmes brutally imposed

upon us, in a way that is both crushing and disrespectful of our dignity.

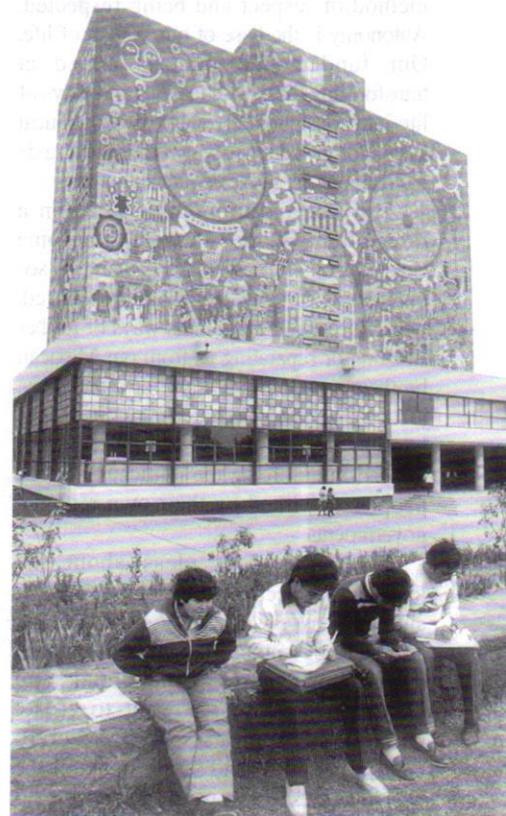
No single solution to change our situation exists: society and the national structure must be transformed, which implies our full participation in decision making and the exercising of political power. We want to be masters of the affairs that concern our communities and peoples, but also to participate in the political, economic, social and cultural life of our regions, states and the whole country.

The present political system and organisation of the state (centralised, intolerant, authoritarian, normalised and refusing pluralism) must be replaced by an autonomous state which makes it possible to respect pluralism and opens the door to the Indian peoples' participation in the definition of a country for everyone.

The autonomy that we demand is not a new system of exclusion. It subscribes to the deep hope of the majority of Mexicans who want democracy, justice and liberty. In fact, autonomy is the Indian peoples' way of enabling accession to a democratic life for the first time in modern history; it is also their contribution to the construction of a more democratic, more just and more humane national society. From this point of view, our fundamental claim for autonomy identifies with the aspirations of all the Mexicans who are not Indian, towards a new society.

Our fundamental project for autonomy does not exclude to the regions or zones where different cultures live together. For these regions, where different socio-cultural groups live together, the possibility of living freely together in unity, diversity, equality and mutual respect is proposed. This signifies establishing multi-cultural and multi-ethnic regions.

Our project of autonomy has a national character: it does not deny or reject the unity



that the collective of Mexicans have constructed throughout their history. We want to find a solution for all within a single Mexican nation. But we think that the political, social and economic regime imposed by a restricted elite weakens our national unity - it excludes the majority, misunderstands our roots, marginalises the under-privileged and divides the people. Our project for autonomy has nothing to do with separatism, which is for us, the Indian people, a sterile idea. By autonomy we mean to feel and live as authentic Mexicans, an active part of a living nation which is ours.

Our project for autonomy is also national in that its implementation will contribute to making our country a great democratic society, more just and prosperous for everyone; a Mexico than can be home to everyone. For as long as the numerous Indian peoples remain excluded, there can not be democracy in Mexico.

For the Indian peoples, autonomy is something profound. It is an age-old

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**DECLARATION SIGNED BY:** 500 Years of Indigenous Resistance: Guerilla Council, Union of Indigenous Communities of the Northern Zone of the Isthmus, Oaxaca, Zapoteca and Chinanteca Assembly of Sierra de Oaxaca, Bureau for Development A.C. (SEDAC), Hidalgo, Worker, Peasant and Student Coalition of the Isthmus (COCEI), Independent Centre of Agricultural Workers and Peasants (CIOAC), Organisation of the Purépecha Nation, Independent Front of the Indian Peoples (FIPI), National Council of Indigenous and Peasant Organisations of Chiapas (CEOIC), Traditional Council of the Indigenous Peoples of Sonora, Union of Independent and Democratic Unions (Chiapas), Regional Coordination of the Indigenous Organisations of Sierra de Zongolica (Veracruz)

aspiration which is part of the daily life of the communities, of their forms of organisation and production, of time and resource utilisation, the practice of our beliefs, our choice of authority and our method of respect and being respected. Autonomy is the base of our system of life. Our fundamental plan is aimed at transforming these practicalities and ways of life into constituent elements of the political system of the country, which transforms a de facto autonomy into a de jure autonomy.

But not an autonomy of life on a reservation! We do not want to become isolated from the rest of the country, or see our realms of self-determination reduced, whilst the government finds ways of further isolating or separating us from our Mexican brothers who, like us, fight for democracy, justice and liberty. The community is the base of autonomy but autonomy goes beyond in enforcing the unification of the peoples governed by their own regional governments.

We have clear ideas about the inalienable objectives of our great plan for autonomy. We want to establish specific regional governments which will regroup autonomously at a municipal and community level; we want to create autonomous regions where the civil, cultural, political and social rights of the people are respected; we want autonomous regions where the people, represented by their autonomous governments, are concerned with solving the multiple social and economic problems of the communities and regions; by means of our own representatives we want to take part in the political institutions of federal entities, in which our autonomous regions must be located, and likewise in the national and political representations; in short, we really want to participate, by means of our own autonomous organs within Mexican society.

The autonomy plan has still not been defined in detail. Its concrete definition must come about through the thoughts and commitment of the different peoples. We know that in other countries, the Indian peoples who have attained autonomy have established the kind of autonomy which suited them. This "process of autonomy" presupposes discussion and agreement. All the Indian people of Mexico must take part in this discussion in order to establish a form of autonomy which will suit us. We formally declare to Mexico that the process of autonomy has opened, launching this vast debate that we want to fuel the whole country.

We have to discuss and analyse the rights and duties that will be included in our autonomy, the method in which we intend to organise our autonomous governments, the

way of electing these regional authorities and the methods that will be used to solve the problems of our people. At the same time we have to have more in depth discussions to further accelerate the definition of our territories and of the communities and municipalities that we want to bring together in each specific territory.

The plan for autonomy does not have a place in the present legal system and territorial organisation of the country. A new political and juridical system has to be established to provide a place for civil rights and the autonomy of the Indian nations.

Our constitution must be modified too. All the articles which overlook us Indians or prevent our participation as peoples must be abolished. We must adopt a constitution which fully recognises us as peoples and recognises our right to satisfy our needs (in particular recognising our territories and lands) to live in well-being and with dignity;

to recognise our right to govern ourselves in new forms at a national level, adopted democratically by everyone. A constitution which not only acknowledges our autonomous governments (regional, municipal and communal) as legitimate, but which also guarantees the necessary resources for regional development, defined and established by the people.

We the Indian peoples have offered our blood and sacrifices to the construction of this nation in the course of its history. In the course of our heroic history we found ourselves in the front-line. Our brothers the Mayas of Chiapas now offer themselves in the sacrifice to build democracy, justice and liberty in Mexico. They have given the most dramatic example. But up and down the country, silently from day to day, the Indian peoples carry the sacrifice of their dead in the struggle for democracy, land and freedom. ★

## HAITI: COUP D'ETAT CONTINUES

(PORT-AU-PRINCE, 2 December) US lawyer Deborah Jackson condemned "the total inadequacy of the [Haitian and US] authorities in inquiring into the accusations of murders, torture and arrest" committed since the coup d'etat. Jackson was participating in a fact-finding mission by three North American lawyers, members of the 'Haiti Commission.'

Many Haitians complained of the American troops' protection of the Haitian military and paramilitary.

"It's not because of a lack of information that the government doesn't act" lawyer Michael Ratner told journalists. "In several villages people told me, 'This is where such a such a member of FRAPH lives. When we want to drag this person out of his house, when we want to follow him, there are two American soldiers stationed in front of the house, protecting these individuals'."

While it is true that one FRAPH leader was brought before a judge in early December, in most cases, all public protest can do is to oblige the authorities to transfer soldiers implicated by the people to another town or 'recycle' them into the new police force.

On 1 December the delegation visited the Petit-Goave prison. Four peasants had been imprisoned there on 4 November by Haitian and American soldiers after they participated in a demonstration against a big land owner who had stolen their land.

According to former US Attorney General Ramsey Clark "the coup d'etat is still going on in the streets, in the places where the populace lives".

Despite Aristide's return, the very people who have killed and who have been giving orders since 30 September 1991 are still there. They are overpowering in number and occupy the same positions as before. They can be seen strolling down the streets every day searching houses and carrying out arrests.

The lawyers' delegation supported popular calls for the abolition of the Haitian army, the creation of an independent "Verité" ('Truth') commission, and of tribunals set up by the population itself. In an subsequent interview with the bulletin 'Haiti Info' Ramsey Clark stressed that the coming months would be crucial for the Haitian people, since further opportunities to get rid of the army and the 'tontons macoutes' will surely present themselves. Clark also urged progressive movements in the USA to increase their solidarity with Haitian associations. ★

Ramsey Clark is a former US Attorney General.

Michael Ratner defends Haitians from the diaspora, notably refugees interned at the US base at Guantanamo Bay, Cuba.

Deborah Jackson is a member of the American Lawyers Association. ★

# November 1994 elections

## Left breaks two party system!

**The November 27 elections did not produce the hoped-for victory of the left wing Frente Amplio. But the neo-liberal 'Blancos' of the ruling National Party were defeated, and the left wing vote increased 50% compared to the last election in 1989. Parliament is now split evenly between the Blancos, the Frente Amplio, and the governing Colorado Party. The implications are far reaching, in a system designed for the alternance of two pro-capitalist parties. As our Montevideo correspondent Gustavo Vasquez predicts, the bourgeoisie will certainly try to split Frente Amplio, and draw the most moderate elements into government, to share responsibility for neo-liberal economic policies.**

THE COLORADO Party started the campaign with a 10-12 point lead. Their final score was only 27,000 votes higher than the National Party and 31,000 higher than the Frente Amplio. Either of the other parties could have won the elections had a minor political event modified the vote of a few thousand voters.

Colorado presidential candidate Julio M Sanguinetti owes his victory to Uruguay's electoral law, which allowed each party to put forward several candidates for the presidency and to accumulate the votes received.

President in the last Colorado government of 1984-89, Sanguinetti started his campaign on a Social Democrat ticket, choosing former Frente Amplio member Dr Batalla<sup>1</sup> as his vice-presidential candidate. But faced with an electoral swing away from his party, Sanguinetti reached out to right wing voters. He chose a televised debate with the Frente Amplio candidate Tabare Vazquez to launch a virulent anti-communist campaign. Nevertheless, Sanguinetti was careful to distance himself from neo-liberal positions, and avoided the most painful right wing proposals for Uruguayan society: privatisation, social security reform and economic liberalisation. Of course, his government will have to resolve these key issues. And while it is not strictly neo-liberal, the new Colorado government will do the same as the last one, and implement the "inevitable" neo-liberal economic measures. This is all the more true now that the country is integrating into the common market of the southernmost Latin American states (Mercosur). The winning candidate might want to take protectionist measures in favour of those industrial concerns which supported his campaign, but he will be obliged to introduce neo-liberal reforms.

### The Defeat of the 'Blancos'.

The National Party's share of the vote was only 31%, down from 38% in 1989. The most neo-liberal sector of the political elite, that which has undertaken neoliberal structural reform in the past, was beaten. Despite their promises to create 'a country of services,' and their record of reducing inflation from 120% to 40%, and balancing the state finances, the Blancos needed to combine the vote of three presidential candidates to gain even one third of the national vote.

The Blancos' privatisation offensive, frontal attack on social security, and apparent disinterest in the social and economic future of the country clashed with the Uruguayan people's attachment to the state as benefactor. So strong is this social identity that some government supporters even turned towards the Frente Amplio alliance (which proposed a former leader of the National Party as Vazquez's candidate for the vice-presidency).

### A Spectacular Vote.

One of the most remarkable facts of these elections has been the vigorous rise of the left. In 1989, Frente Amplio received 21.8% of the votes at a national level and 36% in Montevideo. In 1994 the Frente-dominated 'Progressive Assembly' list obtained 29.8% of the national vote, and 43% in Montevideo! The left clearly gained votes in all sections of society, notably from new electors disillusioned with the other parties. The most striking progress was made in the interior of the country, the historic bastion of the traditional parties.

A narrow majority at the Frente Amplio pre-election congress adopted a pragmatic policy of 'political realism' and

'the culture of government.' This led to the formation of the Progressive Assembly, an alliance under a most moderate programme, dominated by the Frente Amplio, but including the Christian-Democratic Party and a dissident vice-presidential candidate from the National Party. The congress also pledged to guarantee a governable system, whatever government was elected.

This adaptation was founded on the ideas of the CEPAL, the idea of a 'fair share' of economic growth. Basic reforms disappeared from this scenario: agricultural reform, the nationalisation of the banks and refusal to pay the foreign debt. Under these new principles, anti-imperialism no longer has a *raison d'être*, and there is no oligarchy of power in our country.

### Frente still distrusted by elite

As it turned out, this strategy did not protect the Frente from the realities of the electoral campaign.

Whatever the 'respectability' certain Frente leaders tried to portray, Uruguay's dominant classes were not inspired by the Frente's history, political positions, in short its identity (even hidden behind the 'Progressive Assembly'). As a leaked videotape revealed, Minister of the Interior Gianola reassured a meeting of military leaders and Blanco and Colorado deputies that "the future of the country will be decided between the Whites and the Colorados." The rules of the game have their limits, no one should think otherwise. The left is perhaps tolerated up to a certain point but they are not welcome in this system.

Even if the electoral campaign was not marked by significant social conflicts, severe political confrontations resulted in the Frente reaffirming its earlier strategy - contrasting two opposing plans for the

# Final Results

	Colorados Party	Blancos	Frente Amplio	Nuevo Espacio
<b>Total vote</b>	<u>631 000</u>	<u>605 000</u>	<u>603 000</u>	<u>101 000</u>
<b>Change since 1989</b>	+3.5%	-7%	+10%	+5%
<b>Montevideo</b>	26,6%	21,1%	44%	7,2%
<b>Other districts</b>	37,6%	39,6%	19,5%	3,4%
<b>Total</b>	<u>32,5%</u>	<u>31%</u>	<u>31%</u>	<u>5%</u>
<b>Senators</b>	11	10	9	1
<b>Deputies</b>	34	31	30	4

country: a conservative plan personified by the National and Colorado Parties and a project for progress presented by Frente Amplio. This strategy, after getting stuck in the spider's web of institutional politics, has fortunately resurfaced.

Frente Amplio candidate Tabare Vazquez's presidential campaign has drawn attention to the demands for social justice; protecting the poor, the old, and workers, for employment and the rejection of repression,

The mass nature of the Frente campaign, Tabare's 'crisscrossing' of the country, his public meetings with workers, the concrete measures the Frente proposed to improve the dramatic economic situation of the workers, the joining together of the most modest sectors of the population of Montevideo, reinforced by the Frente base in the poor areas, coupled with Tabare Vasquez's charisma gave the left an unprecedented result.

They almost won. They overcame the shock of the collapse of the 'socialist' block's, the errors committed during Frente control of certain municipalities, the anti-communist and anti-Tupamaros attacks from the bourgeois candidates, and the errors resulting from the Frente's choice of partners.

Despite the size of the result, a number of Frente's partisans are deeply frustrated: they saw Tabare's election as a historic opportunity to win power. But after the electoral defeat, new perspectives are opening up. The Frente won the office of mayor of Montevideo with a very high score, as well as nine out of 30 senators and 30 deputies from 99. This is a political upheaval: three parties are establishing themselves in a system designed for two.

## Referenda on education and social security

At the same time as the national and regional elections, voters were asked to approve or reject two proposals for constitutional reform proposed by the social organisations. The first would have made it obligatory for each government to commit at least 27% of the budget or 4.5% of GDP to education. The second would have struck down a series of social security regulations unfavourable to employed workers. The latter ballot was a triumph, winning almost 70% of votes cast. This proves that social security is a strong issue in Uruguay, nearly impregnable to neo-liberal attacks. The education ballot did not gain the absolute majority necessary but it remains a difficult question for the incoming government, given that more than 500,000 people including the Deans of the country's principle universities voted for

the proposal. The main difficulty during the campaign was that Frente Amplio was the only party to support the proposal. What is more, those Frente candidates who received most votes supported the proposal more due to popular pressure rather than personal conviction. Thousands of votes in favour of these candidates were not accompanied by the separate yellow voting paper which corresponded to this plebiscite.

## Who will Sanguinetti govern with?

Sanguinetti will assume the presidency on 1 March, with support from a third of the parliament and from 5 of the 19 regions. The capital is now run by the Frente. Obviously, Sanguinetti and the Colorados must come to an arrangement with other political parties if they are to form a stable government. The Colorado Party could form an alliance with the Blancos. But this fragile 2/3 majority would face the active opposition of an united left, with one third of MPs, control of the country's capital and leadership of almost all the social organisations. The left would not fail to win political credit once the inevitable social costs of the Sanguinetti government's economic policy began to bite. The most likely scenario is that the new president will try to divide the Frente, inviting the most 'mature' sectors to collaborate with his government whilst attacking the 'radicals.'<sup>2</sup> Sanguinetti's attacks against Marxism, violence and the "non democratic" sectors of Frente Amplio, presented in a speech the day before the elections and in his first statements which followed his election, aim to divide the Frente in order to find allies with whom he can govern.

Sanguinetti will continue the reconversion of the productive sectors in order to adapt the country to the demands of an economy integrated into the neo-liberal processes taking place in the region. He will also make new attacks on the

social security system and other mechanisms of solidarity. But the Frente has the force to resist this policy: the government's possibilities to attain its objectives depend on how the left acts.

## Frente Amplio

When the storms of the electoral period have calmed down, the leaders of Frente Amplio will be able to assess the progress that was made in these elections calmly. The Frente must resist the temptation of certain leaders to participate or collaborate with this new government. They will have to insist - oh yes! on their participation in supervisory bodies like the Control Commission and the Supreme Court, from which they have up until now been excluded. They will have to place themselves in opposition to this government, a neo-liberal double of the outgoing National Party government.

The Frente will have to push everywhere the proposals made during the electoral campaign: employment, production, salaries, and 27% of the budget for education. The only responsibility, the only promise that the left pledged was that of keeping its promises: this is the key to credibility. All agreement based on a theory of 'governability', which does not respect the promises that the Front presented as an alternative, will lead them towards decline and disintegration. ★

### Notes

1. Batalla was Raul Sendic's lawyer during his imprisonment.

2. Sanguinetti's movement within the Colorado Party, Foro Batillista has already voiced its support for Danilo Astori, the 'moderate' leader of the Uruguayan Assembly, the dominant component of the Frente Amplio, winning over 40% of the total vote for Frente candidates. Although the Uruguayan Assembly still sees itself as part of Frente Amplio, it is the sector of the Frente most inclined towards an alliance with the traditional parties. Behind their affirmation of the necessity to develop a 'state-building policy' over and above the interests of the parties and classes, Astori and the Uruguayan Assembly effectively support political and social conciliation and participation in government.

# Referendum victory 'No' to European Union !

**On 27 and 28 November 1994 52% of Norwegian voters rejected a government proposal to enter the European Union. Our Oslo correspondent Bjoern Mertens spoke to Anders Ekeland, a supporter of the Fourth International in the Red and Green Electoral Alliance.**

## Question: Isn't the no vote a withdrawal into nationalism?

No, on the contrary! Without a doubt the 'no' victory is positive. It's a victory of Red and Green values. It is the conservatives and the ultraliberals, the self-styled 'party of progress' who have suffered a defeat. So did the Social Democratic Workers Party, which for a long time has strived to represent the interests of capital more effectively. It's a magnificent day! You should see the sad expression of the elite in power

## Where was the opposition strongest ?

Only Oslo voted 'yes,' like in 1972. In the rural areas the 'no' was massive: people there understood that they had a lot to lose in concrete terms - support for agriculture in our special climate, and protection of fishing against practices which destroy the fishing industry. The working class faced incredible pressure from Capital and the Social Democrats. Even so, the majority voted 'no'. There was a marginal victory for the

'yes' vote in working class districts, but the dominant classes still suffered an overall defeat. Nationwide the balance was in still in favour of 'no', even though today there are fewer industrial jobs.

Above all it was the young and women who voted 'no.' They were motivated by eminently progressive values: the environment, social solidarity, internationalism and protection of the welfare state. Analysis of the vote shows a marginal preference for 'yes' among men and a clear 'no' from women. Particularly important were women in public service jobs, who defied the pressures and promises of Premier Brundtland. Nurses and creche staff voted 'no' to protect their social conditions. Many middle-ranking civil servants also campaigned actively for the 'no' vote

## How did you organise the 'no' campaign ?

There has been quite a wide spread feeling of disgust among the people towards integration with the EU. Even the supporters of a 'yes' vote no longer really know why we ought to enter. Only the elite in power really wanted it. In

1972 these people predicted every calamity under the sun if we didn't decide to enter. In fact, we experienced the biggest economic growth in the history of our country. It was in this context that we built a very real organisation with 130 000 members (Norway has 4 million inhabitants). In addition there are a dozen specific initiatives including even 'Blonds against the EU' and 'Witches against the EU'.

The most important initiative is 'Social Democrats against the EU'. Unlike in 1972, trades union militants were supported by a resolution of the congress of trades unions affiliated to the Social Democrats, which defied party policy and called for a no vote. And 3,000 women trades unionists published a two-page advertisement in the Social Democrat's newspaper.

For its part the labour and Social Democratic leadership did not manage to use its bureaucratic weight to support its 'yes' campaign. Speaking more generally, the popular movement was simply stronger and more active than whatever the well-established but inflexible political parties could muster. In the last fortnight of the campaign a four-page daily paper entitled 'Ikke dytt nytt' (What they don't tell you [in the EU]) was distributed free of charge in Oslo. A week before the vote 25,000 people from all parts of the country demonstrated in Oslo for a 'no' vote. Without the 'domino effect' of the Swedish "yes" vote we would have achieved 60% for the Norwegian 'no' vote. It was worth experiencing such an opposition to the elite in power and to the media.

## What now?

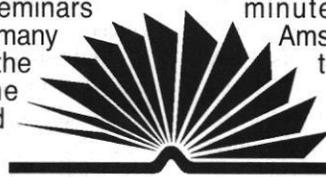
The bourgeoisie will want revenge! Restrictive social measures have already been announced. Norway's participation in the European Economic Area, which we were made to join just in recent years, no doubt as a stepping stone towards the EU, also has consequences for the working population. We have to organise opposition to the attacks being planned against us. ★

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# Hands off Chechnya!

**The Russian intervention in Chechnya is not only an act of aggression against a people that has the right to independence after over 100 years of Russian -Tsarist and Stalinist - domination.**

**It is also an authoritarian move to centralise power in the hands of president Yeltsin. Even the pro-capitalist political parties have distanced themselves from Yeltsin's adventure.**

**But as Alexander Buzgalin and Andrei Kolganov report from Moscow, the organised anti war movement is small, and the task before them is huge.**



## Why did Yeltsin send in the troops?

Russia for a long time has been proceeding along the road of bloodshed and official arbitrariness. Starting with mass beatings of demonstrators on the streets of Moscow in 1993, the Yeltsin administration finally abandoned all restraint in October of the same year, trampling on the constitution and not only dispersing its own parliament, but also opening fire on it with tank artillery and machine-guns. Tanks on city streets — we have already experienced this, a year ago. The people behind that episode were the same Yeltsin, Grachev, Yerin and Co. who are now directing the carnage in Chechnya. At that time, however, they still had with them a number of people who now seem to have regained their powers of sight — people like Yegor Gaidar and Gleb Yakunin. Even Sergei Kovalev, now showing genuine heroism defending human rights in Chechnya, looked on passively in October 1993 as hundreds of defenceless Moscow citizens were murdered, as deputies were arrested and beaten, and as police savagely bashed their fellow citizens....

Both then and now, the violence was no accident. The authorities in Russia have been implementing socio-economic and geo-political strategies which cannot possibly be put into practice through peaceful, democratic methods. These are the strategies of “shock without therapy”, which have resulted in a steep decline in output, disorganisation of the economy, government corruption, legal arbitrariness and a terrifying increase in crime. Can a president and government who are incapable of enforcing a minimal degree of order in their own home “restore order” in Chechnya or anywhere else? Is it any surprise that the peoples of Russia should want to take a different road from the one of inflation, decline and disorganisation that is typical of Yeltsin’s Russia? And what about the impoverishment of the majority of working people as social inequalities increase? Yes, we are now seeing a rise in average real incomes following their collapse in 1992. But this “normalisation” recalls the “normal” average body temperature of patients in a hospital. One person has already died,

is tossing about in a fever, and their average is — normal! So it is in our country. The “new rich” in Russia are bloated with wealth, and have become living legends among the big spenders on the international scene. Meanwhile the “new poor”, who include almost half the population, pine nostalgically for the Brezhnev era — which only a short time ago was condemned as a time of low living standards. How could the policies of the present regime fail to provoke citizens to indignation, and the authorities to violence?

And what about the government’s policy on the national question? When Yeltsin still needed to oust Gorbachev, he told the republics of the Russian federation: “Take as much sovereignty as you can handle!” Then when he came to power the screws were tightened, and any attempt at independent behaviour was met with the rattle of automatic weapons fire. How are the nationalities and ethnic groups of Russia supposed to see this? As another of the lies of the “centre”?

These questions have a rhetorical

character because power in Russia today lies with socio-political forces that benefit from instability, disorganisation, unjust methods of rule, and violence. Those who make up these forces are the "new Russians", who unlike "normal" Western entrepreneurs do not aim at stable profits of 10 to 20 per cent, but at rapid enrichment. Their goal is profit rates of hundreds of per cent a year, the super-concentration and centralisation of capital through extra-economic means — speculation, corruption and violence. These people stand to benefit from an atmosphere of arbitrariness and coercion.<sup>1</sup>

Another sector of these forces is made up of corrupt bureaucrats who can only receive their privileges and bribes in a general context of lawlessness and institutional chaos. The scale of these illicit gains beggars the imagination. Boris Fedorov, sometime finance minister in the Gaidar government, let slip at one point that the market value of the dachas, hunting lodges and other properties at the disposal of the president is close to a billion dollars — that is, to the total loan funds promised us by the world community! The cost of the fence that was erected recently around the House of Government is equal to the price for which a large Siberian oil and gas complex was sold at about the same time...

Unfortunately, very similar processes are under way in the autonomous republics and regions of Russia. The power wielded by Dudaev is a small piece of mirror-glass in which our general problems are reflected. In Chechnya we see the same low level of legitimacy (three years ago Dudaev, with support from Moscow, dissolved his own parliament). We see the same massive disorganisation

of economic and social life, the same domination by all-powerful mafia clans, the same inability and unwillingness to solve the differences between ruling groups and oppositions through democratic methods. And of course, there are the armaments. Tanks, artillery, machine-guns, the lot. For the most part they are Russian, partly transferred to the Chechen authorities, partly sold or bartered by our army....

Yes, we now have a ruling layer which finds incessant armed conflicts unavoidable. The more savagely the Yeltsinite centre behaves, the greater will be the wave of local separatism. The stronger the nationalism in the Russian borderlands, the more powerful will be the outbursts of great-power Russian chauvinism at the centre, and the more real will be the danger of an authoritarian, semi-fascist regime in our country.

With the developments in Chechnya, this tendency has been manifested to the full. Who are the people supporting Yeltsin today? Zhirinovskiy, notorious for advocating an expansionist "push to the south" to create a "Greater Russia", and Barkashov, the leader of the semi-fascist organisation Russian National Unity. In addition, there are a few jingoist patriots, as well as former members of Yeltsin's administration and

government. And that is all.

This is no accident. Four years ago we were shouting at the top of our lungs: "Yeltsin is not an alternative, simply a pedestal for Zhirinovskiy and Co. to climb up on!" Then a year ago, after the bloody events of October, the president began openly trying on the cloak of Russian chauvinism, borrowing the vocabulary and slogans of Zhirinovskiy. It remained only to be seen when Yeltsin would try his own "push to the south", or begin struggling against a non-existent "Jewish-masonic conspiracy". The first outburst came in Chechnya. But Russia and its army were in decay, so instead of the hammer-blow of a great-power fist, what we saw was the clumsy groping of fat, blindly spread fingers.

The result was the corpses of our young men, in Russian and Chechen uniforms. The corpses of Chechen and Russian children and old people.... ★

#### Notes

1. There is, to be sure, a sector of Russian private business today in which the "primitive accumulation of capital" has already been carried out. In this sector, a point in the concentration of wealth has been reached at which stability is more important than rapid enrichment. This explains the fact that some of the right-wing parties which at first gave their silent assent to a "police action" in Chechnya later came out against an escalation of the war. They need stability and order, not the chaos of an ill-prosecuted conflict.

## Blood for oil

The old regime in Russia collapsed three years ago, without being replaced by a clear alternative. Many members of the old elite are still in power, including 61 of the top 100 richest 'honest' businessmen. According to Russia specialist Freddy De Pauw, a journalist at the Flemish newspaper *De Standaard*, economic interests in Russia are organised through a number of lobbies, of which the oil producers and traders are particularly important.

"The oil-trading companies, whose legal status is very unclear, are a considerable source of revenue for the bureaucracy. Between \$US18 and \$US25 billion have been syphoned off, mainly into Swiss bank accounts. This lobby is active at the highest level of central power. At the same time, all kinds of local potentates want to control privatization in 'their' regions. This leads to all kinds of conflicts inside the bureaucracy. The mafia is also involved in the commercialisation of oil. To take one example, all the oil in the Vladivostok region of Siberia was stolen

by the local bureaucracy and sold directly to the west, without passing through Moscow.

"Chechnya's own oil resources are not very important, but the region is vital for the control oil resources in Azerbaijan and Kazakhstan. A consortium of Azeri, British, Turkish, Norwegian and U.S. interests was in place to export the product of three oil fields in Azeri territorial waters in the Caspian sea. The plan was to export the oil via Turkey. But Russia blocked the deal. Moscow is determined to control oil flows in the region. And the pipelines which link the oilfields in Azerbaijan to Russian ports on the Black sea pass through Chechnya." ★

Freddy De Pauw was interviewed by our Brussels correspondent Alain Tondeur. The full version of this interview was published in the Belgian magazine *La Gauche* on 12.1.1995.

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# Radical left organises anti-war demonstrations in Moscow

By Renfrey Clarke

MOSCOW, December 27 — "We can no longer have as President of Russia a person who bombs peaceful populations," Alexander Buzgalin, a leading member of the Committee for Democracy and Human Rights in Russia, declared to journalists at a picket on December 24. "Stop Yeltsin — Stop the War!" a placard behind him demanded. "One Road to Peace — Withdraw the Troops!" argued another.

That picket, by about fifty human rights supporters and members of the local Chechen community, was typical of the almost-daily protest actions that have been mounted in Moscow since columns of Russian tanks rolled into the defiant Caucasus republic of Chechnya on December 11. In some of the coldest weather for years in the Russian capital, protesters have turned out again and again to demonstrate on Pushkin Square, the traditional site for protests by democratic campaigners during the waning days of Soviet power; to rally in front of the towering gates of Gorky Park; or to be arrested in front of the building of the Presidential Administration.

After December 20, when Russian jets began terror bombing raids on residential districts of the Chechen capital, Grozny, the rhetoric of speakers at the protest actions took on an edge of desperation. "What is happening in Chechnya is a shameful stain on Russian history — a crime against humanity," retired General Oleg Kalugin declaimed to a 500-strong rally outside Gorky Park on December 25. A placard at the 500-strally was more succinct: "Stop the Kremlin Butchers!"

An ironic note at several of the demonstrations was the presence on the same platform of people who had been on opposite political sides last time Russian Army artillery opened fire on civilians — during the storming of the parliament building in October 1993. "There used to be differences" within human rights groups about whether to support Yeltsin, former Gulag inmate Susanna Pechuro reportedly commented. "Now there are none." Democratic Russia, the liberal coalition that was instrumental in bringing Yeltsin to power at the beginning of the 1990s, and which fervently supported his assault on the constitution and the parliament in 1993, is now an important force within the anti-war movement.

As images of the Chechnya carnage have filled the television screens, Russia's liberal intelligentsia has experienced a moment of agonising self-knowledge. Terrified of a "Communist revanche", the Russian "democrats" enthusiastically handed near-dictatorial powers to Boris Yeltsin — former boss of the Sverdlovsk Province Communist Party machine

October 1993 was something that most of the "democrats" found they could stomach. But Chechnya has finally been too much — at least partly because in the case of Chechnya, Yeltsin has stopped pretending partly to heed the opinions of the liberal Russian intelligentsia or to cultivate its support. On December 14 Sergei Yushenkov, chairperson of the parliament's Defence Committee and for years a servile Yeltsin apologist, was reported to have lamented: "Yeltsin no longer listens to us. He does not need our advice, so it's time to move into opposition."

The Russian president, many of his former supporters now

believe, has grown disillusioned with his posture as a democrat, and is seeking a new base among Russian nationalists. According to this interpretation, Yeltsin's invasion of Chechnya is both an attempt to do away with a compromising pointer to his regime's weakness, and a bid to win the allegiance of Zhirinovskiy supporters by staging a brief, victorious war of reconquest.

Can this strategy work? Among the many brutalised, declassed Russians, there is certainly a constituency to go after. In a recent survey (1), 30 per cent of respondents supported taking decisive measures to "establish order" in Chechnya; 36 per cent advocated measures searching for a peaceful solution; and 23 per cent called for removing Russian troops from Chechnya. For Yeltsin, who was reported recently to enjoy the confidence of only 8 per cent of Russian citizens, the thought of winning the hearts of 30 per cent by pressing ahead with a ruthless assault on Chechnya must be alluring indeed.

But the Russian president has picked the wrong nation and the wrong war. The yearning for independence in Chechnya is powerful, and has been immensely strengthened by the latest Russian atrocities. The Caucasus is ideal guerrilla territory, and with support from other peoples of the region, the Chechens promise to be able to mount a punishing struggle for decades if necessary.

Meanwhile the Russian army, in Kalugin's words, is "demoralised and falling apart". The ferocity of the attacks on civilians were a reflection of the difficulties of making progress against Chechen fighters. Among Russian officers with memories of Afghanistan, the idea of fighting a war in the Caucasus is intensely unpopular.

So long as Moscow keeps troops in Chechnya and attempts to deny Chechen independence, there will be armed resistance. As the list of Russian dead and wounded lengthens, with no victory in sight, the limited popularity of the war among the Russian population will dissolve.

For Yeltsin to abandon the invasion would be a humiliating climbdown from which his political authority would be unlikely to recover. He will not withdraw voluntarily; he will have to be forced. One way this could occur is through a wholesale military revolt, something which is far from inconceivable. Somewhat more likely is the rise of a broad and powerful anti-war movement which a weakened president can no longer resist.

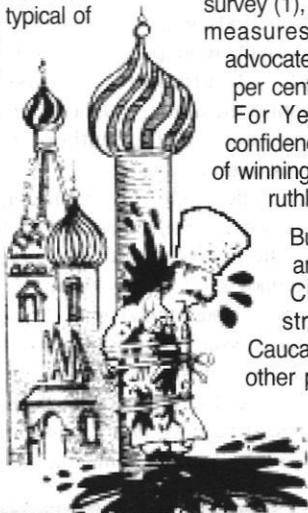
In many ways, the prospects for building such a movement are highly favourable. Big capital, both in Russia and abroad, is appalled by the thought of a war blowing the Russian budget apart. The major liberal newspapers are hostile to Yeltsin's exploit. The chastened intelligentsia is ready to polemicise and to some extent, to come out onto the streets.

But Yeltsin can only be defeated if the anti-war movement sinks deep roots among working people and the trade unions, and if its perspectives are not of token protests and parliamentary resolutions, but of mass mobilisation.

The key builders of a movement of this type will not be liberals, but those left radicals who are not afraid of workers becoming active and politicised. The war in Chechnya thus imposes a huge historic task on the small forces of Russia's "new left". ★

Notes

Source: Izvestiya, reporting a survey of 1600 people in Moscow on December 16-19.



# Russian parties condemn military aggression

THE MAJORITY of Russian political organisations criticised the conflict almost as soon as it began. For Gaidar and his associates from the Russia's Choice party, until recently the president's best-known supporters, denouncing the war was no more than a means of distancing themselves from an obviously disastrous campaign by their hero of earlier times. These right-wing liberal-Westernisers, exiled from power by a president who has turned increasingly to Russian nationalism and great-power chauvinism, decided to try to conduct an independent policy, gently kicking the president (but not too hard, in case he fell). Meanwhile moral considerations (why not call them to mind, when doing so poses no danger to one's prestige and capital?) played a certain role. As a result Gaidar and his colleagues, who had supported the use of tanks to pacify Muscovites in the autumn of 1993, spoke out against using tanks in Grozny in the winter of 1994-95.

The centrists (Yavlinsky and his colleagues) adopted a much firmer position, as did the majority of human rights organisations, including the Movement for Democracy and Human Rights in Russia, and Memorial. These forces consistently opposed both the war and the high-handedness of the president and his administration. Among the most active individuals is Sergei Kovalyov, the president's commissioner for human rights. Kovalyov spent several weeks in Grozny, and has done a great deal to tell the truth about Chechnya to the citizens of Russia and to the whole world.

Social democratic parties took a somewhat ambiguous stand on the conflict. On the one hand they called for the integrity of Russia to be maintained, and on the other they pleaded the necessity for the defence of human rights. By contrast, the Communist Party of the Russian Federation forgot its usual great-power rhetoric, bluntly condemning the war and the authorities who were responsible for the massive destruction and the large number of casualties.

The relatively small democratic socialist tendencies such as the Union of Internationalists, the Party of Labour and the Russian Party of Communists were extremely active. They organised a dozen pickets, rallies and round-table discussions, as well as issuing press statements and collaborating with human rights defenders. The first anti-war picket in the centre of

Moscow, held on December 10 just before the first large-scale military actions, was organised by the democratic left.

The real point, of course, is not who was the first to move into action. Far more important is the fact that practically all of the country's major political forces, with the exception of the right-wing national-patriots, were lined up on one side of the barricades. On the other side was a bloc of Yeltsin, Zhirinovskiy and Barkashov.



## What programme for the peace movement?

The opponents of the war, however, were far from agreeing on a united set of demands for resolving the conflict. All the anti-war forces, thank goodness, were in favour of a halt to the bombing and to military actions, and supported the opening of negotiations. But beyond this point, disagreements began to appear. The Gaidarites were opposed in principle to calling for the president to resign, while many of the social democrats "forgot" this demand. Democratic leftists were demanding that Russian forces be withdrawn from Chechnya, and that the Russian government respect the right of the peoples of Chechnya to decide independently and on a democratic basis

whether they would remain in the Russian Federation, and if so, with what degree of autonomy. However, this demand received only feeble support. Many rightists argued that a rapid and professional "police action" in Chechnya was desirable, condemning not so much the use of the "big stick" as the "unprofessionalism" of the army's actions.

This kind of discord within a context of positive positions is not surprising. In our country advocates of the "strong state" and supporters of "great power" concepts are winning increasing popularity for their ideas. In domestic policy, these people call for "free market" economic strategies together with moderate authoritarianism and strong police forces. In the broader sphere, they favour expansionist geopolitics backed by "patriotic" ideology. There is reason to fear that if the war in Chechnya had been organised "professionally" — if the killing had been quick and silent, only the democratic left and a few human rights defenders would have spoken out.

## The struggle continues

The solidarity of people of good will in Russia and abroad is more and more important. It is necessary to overcome one's own indifference and to say "No!" to the war and to the authorities who have unleashed it. This must be done by military personnel, refusing to carry out illegal orders. It must be done by civilians participating in acts of protest in their neighbourhoods, their villages, their workplaces. It must be done by politicians, casting off their petty factionalism and uniting, at least temporarily, for the sake of peace.

If we can stop this slaughter, if we can learn to struggle together at least against such obvious crimes of the authorities — if this can be achieved, then at least to some degree the sufferings and sacrifices of this winter in Chechnya will not have been in vain. ★

AB/AK (via Peacenet).

## Trotsky conference

MOSCOW (MVD): - A Committee to Study the Legacy of Leon Trotsky was launched at a seminar held here on November 10-12 1994. The meeting attracted over 120 participants from the former USSR, mainly Russian, but also from Ukraine, Belarus and Lithuania, & 20 guests from the capitalist world. A second conference is planned for December 8-10, 1995 in St. Petersburg. For more information contact: Mikhail Voeykov, Economics Institute, Krasikova 27, 117218, Moscow, fax 01170953107001 Marilyn Voyt-Downey, PO Box 1890, New York, NY 10009, U.S.A. tel/fax (+1)718/636 5446, e-mail mvogt@igc.apc.org

# The new war against Vietnam

**THE SOCIAL consequences of market reforms in Vietnam since the mid-1980s are devastating. Health clinics and hospitals have been closed down, up to a quarter of the country's population have experienced local famines, and 3/4 million children have dropped out from the school system. There has been a resurgence of infectious diseases with a tripling of recorded malaria deaths during the first four years of the reforms.**

**Over 40% of state enterprises have been driven into bankruptcy, and over 1.2 employees have been laid off.**

**An agreement reached in Paris in 1993 force Vietnam to recognise the multi-lateral debts of the defunct Saigon regime of General Thieu as a condition for the granting of fresh credit and the lifting of the US embargo. In other words, Hanoi must "compensate" Washington for the costs of the War.**

**The achievements of past struggles and the aspirations of an entire nation are undone and erased almost with the stroke of a pen. No Agent orange, no steel pellet bombs, no napalm, no toxic chemicals: a new phase of economic and social destruction has commenced.**

**The "neutral" and "scientific" tools of macro-economic policy (under the guidance of the Bretton Woods Institutions) constitute an effective and even "non-violent" instrument of recolonisation and impoverishment affecting the livelihoods of millions of people.**

## **MICHEL CHOSSUDOVSKY**

THE RE-UNIFICATION of Vietnam after the liberation meant uniting two divergent socio-economic systems. The subsequent reforms in the South were enforced along narrow Central Committee guidelines, with little attention to the social forces involved: small-scale trade in Ho Chi Minh City was suppressed while a hasty process of collectivisation in the Mekong River delta met with strong opposition from the middle peasantry. Political repression affected not only those sectors of society which had ties to the Saigon regime but also many of those who had opposed General Thieu.

The devastation left by the Vietnam War created from the outset an atmosphere of helplessness and inertia.

The outbreak of the Cambodian civil war — fuelled by Washington's covert support to Pol Pot's forces after 1979 — and the Chinese invasion further thwarted the reconstruction of the civilian economy.

More recently, changes in the global market, and the breakdown of the Soviet bloc (Vietnam's main trading partner) have led to disarray in the national economy and a political void in the process of formulating a "national project". The Communist Party leadership has been characterised by profound divisions and shifts of policy have been characteristic of since the early 1980s.

Today, after more than fifty years of struggle against foreign occupation, the history of the Vietnam War is being cautiously rewritten: Neo-liberalism (with

the technical support of the Bretton Woods institutions) is now the Communist Party's official doctrine. Bureaucrats and intellectuals are called upon to unreservedly support the new dogma in the name of socialism.

With the adoption in 1986 of "Renovation" (*Doi Moi*), references to America's brutal role in the war are increasingly considered improper.

Much of the Western media present Vietnam as being propelled into the status of a prospective "Asian tiger" by "free" market mechanisms. Nothing could be further from the truth. The economic reforms launched in 1986 under the guidance of the Bretton Woods institutions have initiated a new historical phase of economic and social devastation. Macro-



Hanoi, 7 February 1994: shopkeeper celebrates Clinton's lifting of U.S. trade embargo. photo EPA

economic reform striking simultaneously at all sectors of economic activity has led to the impoverishment of the Vietnamese people.

The first step in 1984-85 (before the formal launching of Doi Moi by the Sixth Party Congress) consisted in crushing the Vietnamese currency, the dong. Repeated devaluations boosted inflation and the "dollarisation" of domestic prices. As in 1973, US dollar bills have largely replaced the Vietnamese dong as a "store of value". The IMF closely monitors monetary emissions by Vietnam's Central Bank, but it is the US Federal Reserve Bank which has taken over the responsibility of issuing currency de facto.

The illusion of "economic progress" and prosperity portrayed in the Western press, is based on the rapid growth of small yet highly visible pockets of Western-style consumerism, mainly in Saigon and Hanoi. Elsewhere, the economic and social reality is different: soaring food prices, local famines, massive lay-offs of urban workers and civil servants, and the destruction of social programmes.

### **Paying the "bad debts" of the Saigon regime**

At the donor conference held in Paris in November 1993, a total of US\$1.86 billion in loans and "aid" was pledged, to support of Vietnam's market reforms. Immediately after the conference, a separate meeting was held behind closed doors, with the Paris Club of official creditors. On the agenda: the rescheduling of unpaid debts incurred by the Saigon regime prior to 1975. Vietnam, which never received war reparations payments, was obliged to foot the bill before the US would "normalise" economic relations and lift its embargo of Vietnam in February 1994.

The decision-making process is illuminating: the IMF gave its stamp of approval to Vietnam's economic reforms prior to the Paris conference of donor countries and institutions. But it was the results of the subsequent meetings with the Paris Club of states owed money by the deposed US puppet regime in the south which were decisive in convincing Washington to lift the US embargo on Vietnam. And it was only after the formal lifting of this embargo by one country, the US, that multi-lateral and bi-lateral disbursements were allowed to proceed.

The IMF demanded reimbursement of arrears of US\$ 140 million as a condition for the resumption of credit. Vietnam's former colonial masters, Japan and France

formed a "friends of Vietnam" committee to lend Hanoi the money needed to reimburse the IMF.

By recognising the legitimacy of these debts, Hanoi in effect agreed to repay loans which had been used by the Saigon regime to support the US War effort. Ironically, one of the Vietnamese negotiators was a former Minister of Finance and Acting Prime Minister in the US-backed "South Vietnam" government of General Duong Van Minh <sup>(1)</sup>. Not a complete surprise, given that Prime Minister Vo Van Kiet retains a former IMF staff member, Dr Nguyen Xian Oanh as economic adviser. <sup>2</sup>

### **Destruction of state-owned industry**

Free market reforms have contributed to a massive demobilisation of productive capacity: more than 5,000 of the country's 12,300 state-owned enterprises have been closed down or steered into bankruptcy. This process has been further exacerbated by the collapse of trade with the countries of the former Soviet bloc.

Rules on the liquidation of State industries were adopted in 1990. These lead to a further "down-sizing" of the industrial base through the restructuring of the remaining companies. More than one million workers and some 136,000 public employees (mainly health workers and teachers) had been laid off by the end of 1992. The government's target under "decision no. 111" was to lay off another 100,000 employees by the end of 1994, thus reducing the size of the civil service by 20%. Moreover, the withdrawal of Vietnamese troops from Cambodia meant the demobilisation of 500,000 soldiers, at the same time as 250,000 "guest workers" returned from Eastern Europe and the Middle East with few prospects for employment. According to World Bank reports, the growth in private sector



employment has been grossly insufficient to accommodate this entrants onto the labour market.

As prices soar, the real earnings of those in work have dropped to abysmally low levels. State employees unable to survive on government salaries of US\$15 a month have developed a variety of "survival activities," including frequent moonlighting and leading to high rates of absenteeism and the de facto paralysis of the entire administrative apparatus.

Vietnam now has no minimum wage legislation whatsoever. With the exception of joint venture enterprises, where the recommended minimum wage is US\$30-35 a month, there are no guide-lines on the adjustment or indexation of wages. As one document states, "the Party's free market policy is that the labour market should also be free..."

Whereas many state enterprises were "inefficient" and "uncompetitive" by Western standards, their demise was engineered by the deliberate manipulation of market forces: the restructuring of State banking and financial institutions (including the elimination of credit co-operatives at the commune level), was conducive to the freeze of all medium and long term credit to domestic producers. Only short-term credit is available, at an

### **History repeats itself**

The Communist Party leadership has recently underscored the "historic role" of the US in "liberating" Vietnam from Japanese occupation forces in 1945. In turn, the symbols of the US period have gradually returned to the streets of Saigon. At the "Museum of American War Crimes", now renamed "Exhibition House of Aggression War Crimes", a model light fighter-jet used by the US Air Force in bombing raids can be purchased at the souvenir kiosk with an encoated Coca-Cola logo on its fuselage, alongside a vast selection of manuals on foreign investment and macro-economic reform. Not a single text on the history of the War is in sight.

Outside the museum, the frenzy of an incipient consumer economy is in sharp contrast with the squalor of beggars, street children, and cyclo-drivers, many veterans of the Liberation of Saigon in 1975. What relationship between "war crimes" and macro-economic policy? None, at least at first sight.

annual interest rate of 35 % in 1994. Moreover, the agreement with the IMF forbids state support of credits to the State-owned economy and the incipient private sector.

The demise of the state sector of the economy was also engendered by a highly discriminatory tax system: in a situation where all subsidies and State credits have been removed, state enterprises continue to pay 40-50% withholding taxes inherited from the system of central planning. Foreign investors and joint ventures, however, enjoy generous exemptions and tax holidays. Moreover, the profit withholding tax is no longer collected on a regular basis from private sector businesses.

The "hidden agenda" of the reforms is the destabilisation of Vietnam's industrial base: heavy industry, oil and gas, natural resources and mining, cement and steel production are to be re-organised and taken over by foreign capital with the Japanese conglomerates (*kigyō shūdan*) playing a decisive and dominant role. The most valuable state assets will be transferred to joint venture companies. The leadership is not concerned to reinforce and preserve Vietnam's industrial base, or to develop, for that matter, a capitalist economy owned and controlled by "nationals".

## The stunted private sector

The prevailing view among foreign donors is that a "down-sizing" of the State economy is required to make room for the spontaneous development of a Vietnamese private sector. State investment is said to "crowd out" private capital formation...

Yet the evidence suggests that the reforms not only demobilise the State economy, they also prevent a transition towards market capitalism...

There is no developed entrepreneurial class in Vietnam outside the State economy. The relative weakness of Vietnam's business groups, combined with the freeze on credit and the virtual absence of State support, tends to thwart the development of a domestic private sector economy. While various token incentives are offered to returning Viet Kieu (overseas Vietnamese), much of the Vietnamese diaspora, including the refugees of the Vietnam War and the Boat People, have little in terms of financial resources or savings. Their activities are largely confined to family-owned and medium-scale enterprises in the commercial and services economy.

## The crisis of the steel industry

The fate of Vietnam's steel industry is a blatant example of the "economic engineering" set in motion by the market reforms. Nearly eight million tons of bombs, and a bounty of abandoned military hardware has traditionally provided Vietnam's heavy industry with an ample supply of scrap metal. America's only tangible "contribution" to post-war reconstruction is now being revoked: large quantities of scrap metal are being "re-exported," at prices substantially below world market values. As a result of this "open door policy," production at Vietnam's five major steel mills is stalling because of a shortage of raw materials. A Japanese conglomerate including Kyoei, Mitsui and Itochu has recently established a modern joint venture steel plant in Ba-Ria Vung Tau province which will re-import scrap metal (at world market prices). Like all other state-owned companies, Vietnam's other steel mills are not allowed to import scrap metal.

## Domestic producers excluded from their own market

Through the deliberate manipulation of market forces, domestic producers are being excluded from their own market, even in areas where they may have a comparative advantage. With tariff barriers removed, much of Vietnam's light manufacturing industry is being displaced by a massive influx of imported consumer goods. Since 1986, the country's meagre foreign exchange earnings are allocated almost exclusively to the import of consumer goods and currency reforms allow state-companies involved in export to use their hard currency earnings to import consumer goods. This creates a vacuum in the availability of capital equipment for domestic industry. With the lifting of State budget support and the freeze on credit, productive activities are abandoned.

The result of this lucrative business is the mushrooming of networks between the managers of state-owned import-export companies, local level bureaucrats and private merchants. Hard currency earnings are squandered and large amounts of money are appropriated

Market reforms have also allowed many of state-owned enterprises to escape state control and become involved in a variety of illicit activities.

In the new sectors of light



manufacturing and industrial processing, promoted as a result of the "open door" policy, the internal market is "off limits" to Vietnamese companies. Cheap labour garment producers, involved in joint ventures or subcontracting agreements with foreign capital, will usually export their entire output. In contrast, the domestic Vietnamese market is supplied with imported second-hand garments and factory rejects from Hong Kong (3). This leads to the demise of tailors and small producers in the informal economy.

## Collapse of internal trade

The reforms also promote the "economic balkanisation" of the country. Each region is separately integrated into the world market. The deregulation of the transport industry has led to rocketing freight prices. However, the tendency is for the State transport companies to be driven into bankruptcy with a large share of the transport industry being taken over by the joint venture capital.

The channels of internal trade are also undermined by periodic increases in fuel prices and taxes, dictated by the World Bank. Such measures act as an internal transit duty on the movement of goods in the domestic market. Exceedingly high petrol and diesel prices (particularly in relation to Vietnam's very low wages), numerous user fees and tolls for bridges, roads, and inland waterways affect the entire cost and price structure of domestically produced goods, largely to the advantage of imported commodities...

At the same time, the World Bank-recommended freeze on budget transfers from the central to the provincial and municipal governments has made provincial and local authorities increasingly "free" to establish their own investment and trading relations with foreign companies, to the detriment of internal trade. The provinces negotiate

numerous investment and trade agreements including the granting of land to foreign investors as well as concessions which allow foreign capital (in a completely unregulated environment) to plunder Vietnam's forest resources. In the context of the budget crisis, these various agreements often constitute the only means of covering central and provincial government expenditures including the salaries of State officials.

Moreover, in a situation where the salaries of public employees are exceedingly low (US\$15 to US\$30 a month), foreign cooperation and joint venture linkages inevitably constitute a means for obtaining "salary supplements" in the form of consulting fees, expense accounts, travel allowances, and so forth. Such payments — invariably disbursed in hard currency, enable foreign donors and contractors to secure the allegiance of both professional cadres and local level bureaucrats and officials. The state is bankrupt and unable (under the clauses of its agreements with the creditors) to remunerate its own civil servants. Foreign contractors and "aid" agencies not only appropriate human capital in research institutes and government departments, they become the main source of income for senior and middle level bureaucrats involved in the management of foreign trade and investment.

### **Disintegration of public investment**

The reforms push the State's public finances into a straightjacket. The central bank cannot expand the money supply or issue currency without IMF approval. Neither is it allowed to grant credit or finance state-owned enterprises, which are precipitated into bankruptcy as a result. The bankruptcy of these state-owned companies leads to the further collapse of state tax revenues, and of the financing of remaining public services.

A similar situation exists with regard to the State banks, affected by the decline of dong deposits by the population (who prefer to hold their savings in the form of dollar notes), not to mention the lifting of State subsidies, strict reserve requirements and high withholding taxes. In turn, the contraction of credit as well as increased loan defaults by State owned industries tend to push the State banks into receivership, to the advantage of the numerous foreign and joint venture banks now operating in Vietnam. It is estimated that more than 10,000 out of the 12,300 businesses are heavily indebted to the State banks. Whereas State industries are

not at present allowed to directly approach foreign banks, the latter have access to this lucrative short-term credit market by providing collateral loans to the Vietnamese State banks.

The reforms have triggered a significant collapse in public investment. Since 1985, the share of government capital expenditure in Gross Domestic Product (GDP) declined by 63% from 8.2 to 3.1% of GDP while in agriculture and forestry the decline (90%) was even more dramatic — 1.0 to 0.1%. In industry and construction, capital expenditure fell from 2.7 to 0.1% of GDP (a decline of 96%).

New rules pertaining to the levels of recurrent and investment expenditure have been established under the policy-based loan agreements negotiated with the Bretton Woods institutions. Precise ceilings are now placed on all categories of expenditure, public employees are laid off, allocations to health and education are frozen, and so on. The underlying objective is to reduce the budget deficit. In other words, the State is no longer permitted to mobilise its own resources for the building of public infrastructure, roads or hospitals, and so forth. For example, the creditors not only become the "brokers" of



management fees... In turn, Vietnamese companies (whether public or private) are excluded from the tendering process although much of the actual construction work will be undertaken by local companies (using Vietnamese labour at very low wages) in separate sub contracting deals reached with the transnationals...

### **Japanese imperialism**

At present, the movement is towards the reintegration of Vietnam into the

## **Nearly eight million tons of bombs, and a bounty of abandoned military hardware has traditionally provided Vietnam's heavy industry with an ample supply of scrap metal**

all major public investment projects, they also decide in the context of the "Public Investment Programme" (PIP) (established under the technical auspices of the World Bank) what type of public infrastructure is best suited to Vietnam, and what should or should not be funded by the "donor community". Needless to say, the process of funding creates debts which in turn reinforces the grip of the creditors on economic policy reform.

This supervision applies not only to the amount of public investment, it affects the precise composition of public expenditure and the setting of investment priorities by the creditors. It also requires divestiture and privatisation of most State-owned industries involved in infrastructure and strategic sectors of the economy. In turn, the loans pledged at the Paris donor conference in November 1993, requires a system of international construction and engineering firms. The latter in turn skim off large amounts of money (which Vietnam will ultimately have to repay) into a variety of consulting and

Japanese sphere of influence, a situation reminiscent of World War II when Vietnam was part of Japan's "Great East Asia Co-Prosperity Sphere". This dominant position of Japanese capital is brought about through control over more than 80 percent of the loans for investment projects and infrastructure. These loans channelled through Japan's OECF as well as through the Asian Development Bank (ADB) support the expansion of the large Japanese trading companies and transnationals. With the lifting of the US Embargo in February 1994, American capital is scrambling to restore its position in a highly profitable investment and trading arena dominated by Japan (and to a lesser extent by the European Union). The Japanese not only have a head lead in key investments, they also control much of the long-term credit to Vietnam. Confrontations between Washington and Tokyo are likely to unfold as American transnationals attempt to restore the position they held in South Vietnam (for example, in off-shore oil) prior to 1975.

Other important players are the Koreans and the Chinese from Taiwan and Hong Kong. A clear demarcation however prevails: the latter tend to concentrate in manufacturing and export processing whereas the infrastructural, oil and gas and natural resources projects are in the hands of Japanese and European conglomerates.

It is worth noting that Japan also controls a large share of the loans used to finance consumer imports. This consumer frenzy of Japanese brand products is now largely sustained on borrowed money fuelled by the recent infusion of hundreds of millions of dollars of so-called "quick disbursing loans" pledged by Japan and the multi-lateral banks (including the Asian Development Bank, the World Bank, and the IMF). These loans (which in the official jargon are said to constitute "balance of payments aid") are explicitly earmarked for commodity imports. Administered by Vietnam's Central Bank, the disbursements under these loans are allocated in the form of foreign exchange quotas to thousands of State industries involved in the import trade. This process accelerates the deluge of consumer goods while contributing to swelling the external debt.

With the exception of a small number of larger State corporations (and those involved in the import trade), the reforms contribute to demobilising entire sectors of the national economy: the only means to "survive" is for a national industry to enter the lucrative import business or to establish a "joint venture" in which the "foreign partner" has access to credit (in hard currency) and control over technology, pricing and the remittance of profits. Moreover, the entire international trading system is prone (from the lower echelons to top State officials) to

corruption and bribery by foreign contractors.

### **Distorted growth**

The economic crisis has not signified, however, a concurrent decline in the "recorded" rate of GDP growth. The latter has increased largely as a result of the rapid redirection of the economy towards foreign trade (development of oil and gas, natural resources, export of staple commodities and cheap labour manufacturing). Despite the wave in bankruptcies and the compression of the internal market, there has been significant growth in the new export-orientated joint ventures. In turn, the "artificial" inflow of imported goods has led to the enlargement of the commercial sector and its participation in GDP.

Economic growth is in this regard fuelled by debt. The burden of debt servicing has increased more than tenfold since 1986, it has been further boosted as a result of the government's agreement with the Paris Club in late 1993 recognising the debts of the defunct Saigon regime.

### **Agriculture**

The adoption of a more flexible "farm contract system" in the earlier reforms adopted in 1981 in support of household production was broadly welcomed by the rural people. In contrast, however, the second wave of agricultural reforms adopted since 1986 has contributed to the impoverishment of large sectors of the rural population. Under the guidance of the World Bank and the FAO, the authorities abrogated the policy of "local level self-sufficiency in food" which was devised to prevent the development of

regional food shortages. In the highland areas of central Vietnam, farmers were encouraged to specialise "according to their regional comparative advantage", namely to give up food farming and switch into "high value" cash crops for export. Over-cropping of coffee, cassava (a root vegetable), cashew nuts and cotton combined with the plummeting of world commodity prices and the high cost of imported farm inputs, has been conducive to the outbreak of local level famines.

Ironically, the process of "switching" into export crops also resulted in a net decline in foreign exchange earnings because large shipments of agricultural commodities were sold by the State trading companies to international contractors at substantial financial losses:

"We mobilise farmers to produce cassava and cotton, but they cannot export at a profit because the international price has gone down... What happens is that the State trading companies are obliged to export the coffee or the cassava at a loss. They manage, however, to compensate for these losses because they use the foreign exchange proceeds to import consumer goods. They also make large profits through price mark-ups on imported fertiliser..."

In other words, the State export corporations, while showing a book-value profit, are in fact generating debt (in foreign exchange) by routinely selling staple commodities below their world market price. In many of the food deficit areas, industrial crops by farmers who had abandoned food farming remain unsold due to the situation of oversupply which characterises the world market. The result is famine because the farmers can neither sell the industrial crops nor produce food for their own consumption...

### **The rice trade**

A similar situation prevails with regard to the State-owned industries involved in the rice trade. The latter prefer to export at a financial loss rather than sell in the domestic market. With the complete deregulation of the grain market and sales in the hands of private merchants, domestic prices have soared particularly in the food deficit areas. Whereas rice is being exported below world market prices, severe food shortages have unfolded in regions where paddy production had been abandoned as a result of the policy of "regional specialisation". In 1994, for instance, the authorities acknowledged the existence of a famine in Lai Cai over a five-month period (without any emergency relief being provided), two million tons of

## **Lêông Trôt-ski CUỘC CÁCH MANG BI PHÁN BÔI (The Revolution Betrayed)**

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rice remained unsold as a result of the collapse of the State-owned rice trading companies.

Famine is not limited to the food deficit areas, it has struck all major regions including the urban areas and the "food surplus economy" of the Mekong delta (with 25.3 percent of the adult population with a daily energy intake below 1800 calories). In the cities, the devaluation of the dong together with elimination of subsidies and price controls has led to soaring prices of rice and other food staples. Deindexation of salaried earnings and massive urban unemployment (resulting from the retrenchment of civil servants and workers in State-owned industries) has had a major impact on levels of food intake (as well as on the observed nutritional status of children in urban areas).

## International agribusiness

The general direction of the government's grain policy largely coincides with the interests of international agribusiness: a switch out of paddy into a variety of crops (citrus trees, hybrid maize, cashew-nuts, and so forth) is encouraged even in regions (for example, the Mekong delta) which are highly favourable to paddy cultivation. In Dong Nai province in the south, for instance, farmers are encouraged to move out of paddy, hybrid maize seedlings are purchased from a subsidiary of Cargill (an international grain conglomerate) with short-term loans (at 2.5 percent a month) financed by the State Agricultural Bank. The harvested maize is then "purchased back" by Proconco, a French agro-industrial joint ventures exporting as well as selling animal feed in the domestic market to produce meat products for Taiwan and Hong Kong... Short-term credit is only available for designated commercial crops with loan periods (less than 180 days) shorter than those required to complete the entire cycle of agricultural production and marketing of the commodity.

An impressive increase in paddy production took place between 1987-89 and 1992 which enabled Vietnam to move from a position of net importer to that of an exporter of rice. This tendency was sustained without an increase in the land areas allocated to paddy. It was largely the result of a shift into new varieties as well as increased use of chemical fertiliser and pesticides entailing substantially higher costs to the small farmer. The government has moved out of supplying farm inputs, the State-owned industries producing

pesticides have collapsed. Increasingly a large share of farm inputs are imported:

"Our productivity has not gone up. We must pay for the new seed varieties and insecticide, fertiliser and transport costs have increased. If the costs continue farm activities. Off-farm employment including handicrafts and labour in the city, is essential. Farming does not provide enough earnings."

Largely centred in the Mekong delta, this expanded paddy output and the corresponding surge in exports has also been conducive to increased land concentration. In the Red River delta, small farmers are paying royalties to the International Rice Research Institute (IRRI) (supported by the World Bank and the Rockefeller Foundation) for a new variety of paddy which is produced in local nurseries. Agricultural research institutes whose funds have been cut off by the State, have entered the lucrative business of seed development and production...

The expansion in paddy production has, however, reached a peak: the withdrawal of State support in the provision of irrigation infrastructure, water conservancy, and maintenance since 1987 will affect future output patterns. Large-scale irrigation and drainage have been neglected: the World Bank recommends cost recovery and the commercialisation of water resources while nonetheless acknowledging that "farmers outside the Mekong delta are too poor to bear increased rates [irrigation charges] at this time". The risk of recurrent flooding and drought has also increased as a result of the collapse of State industries responsible for routine operation and maintenance. A similar situation exists in support and agricultural extension services:

"Provision of agricultural support services — the supply of fertiliser, seed, credit, pest control, veterinary services, machinery services, research and extension advice, was until the late 1980s a predominantly governmental function. This system, while still functioning on paper, has in reality, largely collapsed as a result of the restoration of family-based farming system, increasing real budgetary shortfalls and the fall in the real incomes of civil servants as a result of inflation. Those support services involving a marketable product or service have been semi-privatised with some success, and the remainder are hardly functioning. A large number of employees survive by moonlighting activities, while some 8 thousand graduates of the agro-technical schools are reportedly 'unemployed'."

## Concentration of land ownership

The tendency is towards a major crisis in production, increased social polarisation in the countryside and a greater concentration of land ownership: large sectors of the rural population in the Red River and Mekong delta areas are being driven off the land, famines have also occurred in the rice surplus regions. The new Land Law passed in the National Assembly in October 1993 was drafted with the support of the World Bank's legal department. World Bank seminars were

## Child malnutrition

The deregulation of the grain market has triggered a high incidence of child malnutrition. Despite the increased "availability" of staple foods as suggested by FAO data, a Nutrition Survey conducted in 1987-89 suggests an abrupt overall deterioration in the nutritional status of both children and adults. The mean adult energy intake (per capita/per day) for the country was 1,861 calories with 25 percent of the adult population below 1,800 calories indicating a situation of extreme undernourishment. In 9 percent of the sample households, energy intake by adults was less than 1,500 calories. Recorded energy intakes for young children under six were on average 827 calories per capita.

As a recent World Bank report acknowledged: "Vietnam has a higher proportion of underweight and stunted children [of the order of 50 percent] than in any other country in South and South-East Asia with the exception of Bangladesh... The magnitude of stunting and wasting among children certainly appears to have increased significantly.... It is also possible that the worsening macro-economic crisis in the 1984-86 period may have contributed to the deterioration in nutritional status..."

According to the Survey, Vitamin A deficiency which causes blindness (resulting from a diet composed almost exclusively of cereals) is widespread among children in all regions of the country except Hanoi and the south-east. ★

organised to focus on the implications of the Land Law:

"The foreign experts brought in by the World Bank think that the Land Law is suitable to our particular conditions: if farmers lack capital or resources they can 'transfer' the land or they can move to the cities or work for 'an advanced household'. The lack of land is not the cause of poverty, the poor lack knowledge, experience and limited education, the poor also have too many children."

Under the law, farmland (under a formal system of long-term leases) can be freely "transferred" (that is, sold) and mortgaged as "enforceable collateral"

(officially only with a State banking institution but in practice also with private money-lenders). The land can be "transferred" or sold if there is loan default.

The consequence has been the re-emergence (particularly in the south) of usury and land tenancy forcing the peasant economy back to the struggles for land and credit waged at the end of the French colonial period. In the south, land concentration is already fairly marked by the development of medium to large size farms (including numerous joint ventures with foreign capital). State farms are invariably transformed into joint venture plantations.

The landless farmers (who constitute an increasingly large share of the rural population) are obliged to seek employment in the cities or as seasonal wage labourers for the rich farmers or joint ventures. Rural wages in the red River delta are in the order of US\$50 a day. While land forfeiture of small farmers in north Vietnam is still at an incipient level, the new Land Law opens the way for the appropriation of large tracts of agricultural land by urban merchants and money-lenders.

The agricultural policies of the defunct Saigon regime of General Thieu are resurfacing. In the south, land titles granted

## Crisis in education

Universal education and literacy was key objective of the struggle against French colonial rule. From the French defeat at Dien Bien Phu in 1954 to 1972, primary and secondary school enrolment in North Vietnam increased seven-fold (from 700 thousand to nearly 5 million). After re-unification in 1975, a literacy campaign was implemented in the south. According to UNESCO figures, the rates of literacy (90 percent) and school enrolment were among the highest in South-East Asia.

The reforms have deliberately and consciously sought to destroy the educational system by massively slashing the educational budget, depressing teachers' salaries and "commercialising" secondary, vocational and higher education through the exaction of user fees. The movement is towards the transformation of education into a commodity. In the official jargon of the UN agencies, this requires "...consumers of [educational] services to pay increased amounts, encouraging institutions to become self-financing, and by using incentives to privatise delivery of education and training where appropriate." Virtually repealing all previous achievements including the struggle against illiteracy carried out since 1945, the reforms have engendered an unprecedented collapse in school enrolment, with a high drop-out rate in the final years of primary school. The obligation to pay tuition fees was entrenched in the new 1992 Constitution.

According to official data, the proportion of graduates from primary education who entered the four-year lower secondary education programme declined from 92% in 1986/87 (prior to the inauguration of the tuition fees) to 72% in 1989/90, a drop of more than half a million students. Similarly some 231,000 students out of a total of 922,000 dropped out of the upper secondary education programme. In other words, a total of nearly 3/4 million children have been pushed out of the secondary school system in three years (despite an increase of more than 7% in the population of school age). While recent enrollment data is unavailable, there is no evidence to suggest that this trend has been reversed. The available data of the 1980s suggests an average yearly drop-out rate of 0.8% in primary education with total enrolment increasing but substantially behind the growth in the population of school age.

The structure of underfunding will trigger a speedy erosion of primary education in the years ahead. In 1994 the state allocated an average of US\$3 to \$4 per child at the primary school level. In the Red River delta region, the cost to parents of school materials and book (previously financed by the government) was about 100kg of rice per child, which is a significant fraction of total household consumption.

The government and "donors" have nevertheless expressed "concern" that with a rapidly declining enrolment rate, "unit costs have increased" and there is now "an oversupply of teachers". With a "down-sized" school system, the authorities believe, consideration should be given "to quality rather than quantity" requiring (according to the "donors") the lay off of surplus teachers... All echelons of the educational system are effected by this process: state-supported pre-primary creches are being phased out. They will henceforth be run as commercial undertakings.

"Cost recovery" has been enforced in universities and all centres of higher learning. Institutes of applied research have been told to recover their costs by commercialising the products of their research: "Universities and research institutes are so poorly funded that their survival depends on generating independent sources of income." At present, the State covers only 25% of total salaries of research and other operating expenditure of major research institutes. Research establishments are, nonetheless, granted a preferential rate of interest on short-term credit (1.8% per month instead of 2.3%).

In vocational and technical education including teacher training colleges, a freeze on enrolment (with precise ceilings) is established under guidelines agreed with external donor agencies. The result: a major curtailment in the supply of human capital and qualified professionals.

In the above context, financial control and supervision of most research and training institutes is in the hands of external donor agencies which selectively fund salary supplements in foreign exchange, research contracts, and so forth. They also dictate the orientation for research and the development of academic curricula. ★



by the US "aid" programmes in 1973 as a means of "pacifying" rural areas are fully recognised by the authorities. In contrast, thousands of peasants who left their villages to fight alongside the Liberation forces are today without formal claims to agricultural land. It may be recalled that the US land distribution programme was implemented in the aftermath of the 1973 Paris agreement during the last years of the Thieu regime. This period of so-called "Vietnamisation" of the War coincided with the formal withdrawal of American combat troops and the propping up of the Saigon regime with massive amounts of US "aid". According to the Ministry of Agriculture, the United States Wartime programme is a useful "model": "Our present policy is to emulate the US land distribution programme of that period, although we lack sufficient financial resources."

The deregulation of the grain market (under World Bank guidance) allows easy access to the world market (although at very low commodity prices while disrupting the channels of internal trade and triggering local level famines. This pattern is candidly acknowledged by the World Bank:

"Of course since private sector flows typically respond to price incentives, the problem of food availability in the food deficit areas will not disappear overnight, since consumers in these areas do not have the purchasing power to bid up the price paid for foodgrains from the surplus regions within the country. Indeed as private sector grain trade expands, the availability of food in the deficit regions may initially decline before it improves."

## A sick health system

In health, the most immediate impact of the reforms has been the collapse of the district hospitals and commune-level health centres. Until 1989, health units provided medical consultations and essential drugs free of charge. The disintegration of health clinics is on the whole more advanced in the south, where the health infrastructure was only developed after re-unification in 1975. With the reforms, a system of user fees has been introduced. The principles of cost recovery and the "free market" sale of drugs were applied. The consumption of essential drugs (through the system of public distribution) declined by 89%. By 1989, the domestic production of pharmaceuticals had declined by 98.5% in relation to its 1980 level with a large number of drug companies closing down. With the complete deregulation of the

pharmaceutical industry including the liberalisation of drug prices, imported drugs (now sold exclusively in the "free" market at exceedingly high prices) have now largely displaced domestic brands. The impact on the levels of health of the population has been dramatic.

The government (under the guidance of the "donor community") has also discontinued budget support to the provision of medical equipment and maintenance, leading to the virtual paralysis of the entire public health system. Real salaries of medical personnel and working conditions have declined dramatically: the monthly wage of medical doctors in a district hospital is as low as US\$15. With the tumble in State salaries and the emergence of a small sector of private practice, tens of thousands of doctors and health workers have, de facto, abandoned the public health sector. A survey conducted in 1991 confirms that most of the commune-level health centres have become inoperative: their average staff is five health workers, and the average number of patients has dropped to less than six a day! Since the reforms, there has also been a marked downturn in student admissions to the country's main medical schools which are currently suffering from a massive curtailment of their operating budgets.

## Malaria increases 300%

While the available data is at this stage incomplete, the resurgence of a number of infectious diseases including malaria, tuberculosis, and diarrhoea is acknowledged by the Ministry of Health and the donors. A WHO study confirms that the number of malaria deaths increased three fold in the first four years of the reforms alongside the collapse of health system and soaring prices of anti-malarial drugs. What is striking about this data is that the number of malaria deaths has increased at a faster rate than the growth in reported cases of malaria suggesting that the collapse of curative health services played a decisive role in triggering an increase in malaria-induced mortality. These tendencies are amply confirmed by commune level data:

"The state of health used to be much better. Previously there was an annual check-up for tuberculosis, now there are no drugs to treat malaria, the farmers have no money to go to the district hospital, they cannot afford the user fees..."

The World Bank candidly acknowledges the collapse of the health system (the underlying macro-economic "causes", however, are not mentioned):

"Despite its impressive performance in the past, the Vietnamese health sector is currently languishing... there is a severe shortage of drugs, medical supplies and medical equipment and the government health clinics are vastly underutilised. The shortage of funds to the health sector is so acute that it is unclear where the grass-roots facilities are going to find the inputs to continue functioning in the future."

Whereas the World Bank concedes that the communicable disease control programmes for diarrhoea, malaria and acute respiratory infections "have [in the past] been among the most successful of health interventions in Vietnam", the proposed "solutions" consist in the "commercialisation" (and commodification) of public health as well as the massive lay-off of surplus doctors and health workers. Wages of health workers should be increased within the same budgetary budget: "an increase in the wages of government health workers will almost necessarily have to be offset by a major reduction in the number of health workers..."

The reforms brutally dismantle the social sectors, undoing the efforts and struggles of the Vietnamese people for nearly forty years, reversing "with the stroke of a pen" the fulfilment of past progress. There is a consistent and coherent pattern: the deterioration in health and nutrition (in the years immediately following the reforms) is similar (and so is the the chronology) with that observed in school enrolment.

In the aftermath of a brutal and criminal War, the world community must take cognizance of the "deadly" impact of macro-economic policy, applied to a former Wartime enemy. ★

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### Notes:

1. The General was installed by the US military mission in 1963 in the aftermath of the assassination of President Ngo Dinh Diem and his younger brother.
2. Oanh has worked closely with Kiet since the early 1980s when the latter was Communist Party Secretary in Ho Chi Minh City.
3. The price of used garments purchased in the developed countries is US\$80 a ton.
4. The value of goods and services produced in a country.
5. In the context of the "Public Investment Programme" established under the auspices of the World Bank (PIP). ★

# China: Deng's death is the end of an era

**ECONOMIC** growth in China is probably the fastest in the world. GDP has grown by an average of over 9% a year since 1980. National income is now four times higher than in 1980. The standard of living of the majority of the population, particularly city dwellers, continues to grow quickly.

**"Red" China** has become an El Dorado for foreign capitalists, who have invested US\$200 billion since 1979 (mostly since 1989). China has also become a commercial power on the world stage. Foreign trade exceeded US \$200 billion in 1994, and China ran a US \$23 billion surplus in its trade with the USA in 1993.

**China** sees itself as a potential great power, and is increasingly perceived as such in the international press and among foreign diplomats. But this same China is overrun and submerged by corruption, which is now probably as widespread as before the Communists took over.

**Chinese society** in the 1990s is chaotic and largely uncontrollable. Now that peasants are no longer forcibly confined in their villages, tens of millions of them have come to seek work in the booming regions and (mainly coastal) towns. When they arrive, they add to the social and infrastructural crisis of already highly populated areas, and they join an increasingly undisciplined urban workforce

**The regime** tries to repress all this, but increasingly manifests its weakness. It is unable to master China's considerable economic problems, including inflation which has now reached an annual average of 30 to 40%, (and even higher in the boom towns of the south and the coast).

**This is the end of an era. How can the revolutionary left respond ?**

**ROLAND LEW**



UNTIL THE CULTURAL Revolution, Mao's regime enjoyed considerable popular support. First of all, the Maoists were regarded as the liberators and reunifiers of the country, who had defeated foreign imperialists who had come close to destroying eternal China, particularly the Nippon Empire.

Secondly, the regime was an active social reformer, modernising a country which had been sinking deeper and deeper into backwardness. The regime's will to industrialise China, to "catch up" amplified Mao's legitimacy among the population. Of course, apart from some intellectuals, until 1947 few Chinese were in favour of a Soviet-style system. For the peasants, even those who had come into contact with the Communist Party, the Soviet system was unknown, even incomprehensible. But since the alternatives - western liberalism or a return to the old order - were out of the question, all this gave the Party a wide margin of tolerance.

The frequent, heavy repression of opponents on the left and the right does not negate the essential fact that the majority of the Chinese population were ready to accept the innovations proposed by the new rulers, including those which meant a break with old habits and expectations. The population, then, was not disturbed by the adoption of a caricature of the soviet economic system, notably the first Five Year Plan of 1953-57, even though this had quite significant implications for an economy and society for which this model was poorly adapted.

Even the economic collapse and millions of deaths caused by the "Great Leap Forward" of 1958-1961 did not challenge the legitimacy of the regime. But doubts began to spread among the population, and particularly among Party cadres.

It was the Cultural Revolution which completely transformed the population's perception of the regime. This period, in all its complexity, with its multiple tendencies, carried by and torn apart by many concealed passions and interests, had one indisputable result: a serious decline in the legitimacy of Communist power.

Mao, the indisputable victor of the conflicts during the Cultural Revolution, was now perceived as a despot to be feared, as an absolute master. The population was terrorised and passive, and longed for far reaching changes. The silence of the population could no longer be taken as assent. The urban world (20% of the population) lived a relatively privileged life, completely separated from the rural universe which lived off its local resources and was forcibly confined to the villages (access to the towns was practically impossible for the peasants). An increasingly inefficient bureaucracy of party cadres governed (or tried to govern) every aspect of Chinese life. They exerted a strict tutelage over the working class, which was favoured economically in comparison to the peasants, but which, like the peasants, was deprived of political and social autonomy.

Towards the end of Mao's life, sections of the state apparatus began to undermine Maoist directives, even while paying lip service to them.

## De-Maoisation

Recent Chinese history would not have known such a brusque turning if the population, above all its urban component, had not emerged traumatised from the Cultural Revolution. This period, which officially ended with the death of Mao in 1976, but in fact ran out of steam in 1972, only three years after it was unleashed, was experienced as a nightmare (at best a dream which became a nightmare), by both actors and victims (the student Red Guards, numerous cadres of the CCP, certain unfavoured sections of the working class). For the majority of the population (the peasants), the Cultural Revolution was perceived as an incomprehensible political action, which had little direct effect on their lives.

Whatever the meaning of the Cultural Revolution, or the genuine anti-bureaucratic passions which Mao unleashed and manipulated, the essential effect was that, at the end of the Mao era, the Communist regime was delegitimised. The population was subjected to a very close police and bureaucratic tutelage; but the "mandate of heaven" - the survival of the regime - was in question for the people as much as for numerous party cadres, misled during the Cultural Revolution and disorientated since.

The society on which the lid was being held down was a boiling pot. Mao's successors knew that dramatic and visible steps must be taken to maintain their control. As they say, "the more things change, the more they stay the same."

In other words, de-Maoisation was not



motivated primarily by economic factors. True, autarky was not sustainable. Certainly, the dissatisfied peasantry, cramped by the low incentive system of the communes, and practically imprisoned in the villages, was not very productive; agriculture hardly kept progress with the population. Yes, the Soviet-inspired "command economy" was in the process of exhausting its potential for development. But none of these evils implied immediate transformations. After all, the industrial economy was still developing rapidly in the mid-1970s; agriculture still produced enough of a surplus to feed the urban population; rural dissatisfaction did not mean a visible and immediate risk of revolt; and a less strict economic autarky could continue for some time.

In fact, the reforms were based on the elite's perception of political and social factors. The regime had to initiate change

## Prices rocket as economy overheats

Zhang Kai

The price index for consumer goods rose 27.7% between October 1993 and October 1994. In nine major cities, the increase was over 30%, and in Chongqing City 38.2%.

The main victims of soaring inflation and devalued currency are the general population. Official claim that average incomes are rising faster than inflation are based on manipulated statistics. And the behaviour of the 'average' wage is irrelevant for the mass of citizens given the sharpening differentiation in salaries. What we do know is that in Sichuan province, 45% of households experienced a decline in real income. The same is true of cities like Taiyuan, Nanjing and Urumqi.

The cause of inflation is not high salaries or bloated social security, health care or education. Instead, the cause can be found in the model of economic growth being pursued by Beijing.

Since 1980, the economy has grown by an average of 9.3% per year, but the China Peoples' Bank has increased the money supply by over 20% per year<sup>1</sup>. This reflects the rapid increase in investments in fixed assets. Despite the introduction of regulations which should have caused a dramatic decline, fixed assets

increased over 37% in 1993, and by at least as much in 1994. At the same time, the liberalisation of foreign currency markets led to a net inflow of US\$23 billion in the first 10 months of 1994. This helped increase foreign currency reserves by 110%, to almost US\$50 billion. The Chinese currency (RMB) released to cover these new funds was equivalent to 700-800 billion yuan - about 20% of the total already in circulation.

This flood of new notes pushes prices up. With most prices not controlled, this means an increase in costs to the public, rather than an increase in state subsidies.

A top level meeting on inflation closed December 1st with the brief press statement that Jiang Zemin, Li Peng and Zhu Rongji had each made an "important speech." Contrary to usual practice, none of these texts was published. This suggests that they contain important differences. It seems that the Party center is finding it more and more difficult to justify its "socialist" market reforms. ★

### Notes

1. M0 24.7%, M1 20.6%, M3 25.3%, according to Deputy Director Dai Xianglung.

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without delay or risk being dragged into changes against its own wishes. A consensus was fairly quickly established in the highest spheres of power to eliminate the most Maoist current (the "Gang of Four"), to dispose of Mao's immediate successor Hua Guofeng, an opportunist who owed his entire career to Mao, and to replace them by a reformist team headed by Deng Xiaoping<sup>1</sup>, who seemed capable of assembling a broad coalition of CCP cadres.

The essential for the party-state was to renew minimal links with the population, to render the regime once again presentable, and in the process to deal with the malfunctionings of the system. Despite Mao's criticisms of the Soviet model, China faced more or less the same problems as the other post-capitalist societies. These problems stemmed from a more or less strict application of the "command economy" and the police, bureaucratic and authoritarian straitjacketing of the population (the concentration camp system, controls at the workplace, and the "houku" residence certificate, which blocked all geographical mobility).

The reformist project was accepted by consensus among the Party elite (once the more outspoken Maoists were overthrown or imprisoned) and launched by Deng at the end of 1978. The aim was to render less strict the control of economic life, to enlarge the sphere of economic initiative of the directors of the units of production in the town and the countryside. The goal was to introduce also a form of "system of responsibility" in place of a passive

obedience to orders from above. In this context, the reintroduction of some market mechanisms into economic life was supposed to render more visible the needs of the population, and ensure that they be satisfied better and quicker. While the centrally-planned sector was to remain at the heart of the economy, there was to be more flexibility, and greater emphasis on light industry and small-scale rural enterprises. In other words, the reformers did not want to challenge the regime, just to improve it

### Economic reform

The reform was an attempt to preserve and perpetuate the bureaucratic power of the party-state; the social domination of the cadres of the party over the Chinese people. The objective was also the economic opening of China to the world, based on the belief that it was impossible to maintain economic autarky indefinitely. This autarky was in any case incompatible with the political opening launched by Mao himself in 1970-71, and symbolised by U.S. President Nixon's visit to China at the beginning of 1972.

The reformist team wished to obtain a rapid increase in the standard of living, in parallel with a loosening of political and economic controls, and an economic and political opening to the external world. In fact history took a very different course.

The reform in its first stage produced in effect few results in the cities and the industrial sector - the heart of the system. Faced with a traumatised population and a fearful Party, and lacking the technical knowledge to manage such changes, the regime advanced prudently, multiplying



local experiences while avoiding generalizations (which had been so costly during the Great Leap Forward). This prudence led to a semi-stalemate; the conservative and incompetent apparatus blocked the reform of the state enterprises, and used bureaucratic chicaneries to block the reemergence of petty private commerce and enterprise, both re-legalised for the first time since the beginning of the 1950s. Three years after the launching of the reform, by 1982-83, it had virtually come to a standstill, as far as the towns and industry were concerned.

### Quiet revolution in the countryside

But to the regime's surprise, changes in the countryside pushed the reforms further than the Party has proposed. By steady and growing pressure, the rural population imposed a non-violent decollectivisation of

# Party and Society

THE RELATIONSHIP between the Communist Party and Chinese society has always been complicated. Both have developed since 1949, partially in the same direction, and under the influence of their mutual interaction. Chinese society does not present a total separation between "them" and "us," even if every individual knows his place in what is still a strict and authoritarian hierarchy.

The Communist Party, which in itself forms a large and complex society, has been strongly influenced by the evolution of the wider society. Despite the constant efforts of the higher-placed cadre to keep the "leaders" and the "followers" apart, Party members have been affected by the expectations and needs of the population, and by the blind pressure this exercises on those who govern a country like China.

Industrialisation and modernisation have had a marked effect on Chinese society, at least in the cities. De-Maoisation has become irresistible: personal, intellectual and sexual liberties have gained new space. This is in part due to the rejection of the regime provoked by the Cultural

Revolution, but also, paradoxically, to the experience of the masses of young Red Guards, who's first taste of political chaos, autonomy, and the loss of power of bureaucrats small and large was precisely during the Cultural Revolution.

During the 1980s, many cadre and a good part of the population were ready to attempt something which went beyond Maoism. All this without necessarily rejecting Mao himself, or indeed of openly giving a name to what one was doing and dreaming; ie. to leave "actually existing socialism" behind, and build some form of capitalism.

It wasn't just the Party which refused to see where it was going, or refused to give the new dynamic a name in order not to frighten those who might be opposed to the restoration of capitalism. After all, the population itself was less interested in the nature of capitalism, or of any other system, than in the practical and immediate results any new system offered. The pragmatism of Deng is based on an appreciation of the pragmatism of the population, which is impregnated with peasant values, and where town-dwellers are only one generation removed from their rural roots. ★ [RL]

## Chinese society does not present a total separation between "them" and "us"

the land by about 1982. The regime had not envisaged and did not want this return to family agriculture, but accepted it, in view of the remarkable economic results obtained by the peasants. In effect, the peasants transformed the "responsibility system" proposed by the Party into a return to family-based agriculture. The land remained state property in principle, but was to all extents and purposes privatised by the peasants.

The rural population immediately responded to decollectivisation, the reconstitution of agricultural markets, the possibility to create small private and cooperative enterprises and trading structures, in the hope of improving their standard of living.

De-collectivisation, the rapid rise in the peasant standard of living, and the decline in social tensions in the countryside changed the face of China. After thirty years of a "socialist" system based on industry and the towns, China was again an ocean of small peasant proprietors. The logic of these rural reforms began to undermine, slowly, the basis of state "socialism."

Why did the Party accept the unexpected privatisation of land and the reemergence of petty capitalism in the countryside? The desperation of the Communist Party, and the disorientation of its members after the Cultural Revolution, are only partial explanations. The main explanation was that Communist leaders judged (correctly) that better-nourished but socially fragmented peasants were not a threat for the regime, even if they were no longer subject to tight party control. Chinese history suggested to the bureaucrats that only a desparate peasantry could pose a threat to the survival of the ruling dynasty. In other words, the capitalist renaissance in the countryside was not seen as a mortal threat for the regime, but as an element which improved its chances of survival.

### Reform in the towns and industry

1984 was a record year for agricultural



production. The success of reforms in the countryside encouraged the reformers to retake the offensive against conservative forces in the towns and industry. Before, reformers had tried to introduce market mechanisms to help regulate an economy still subordinate to the plan. But the de facto privatisation of agricultural land in a country where 80% of the population live in the countryside, coupled with the introduction of market mechanisms in the towns, meant a mutation of the original reform project. What started to happen was nothing less than the unacknowledged restoration of capitalism.

At this point, everything started to go wrong. While the reforms led to important changes in industrial and urban life, the core of the state sector hindered the changes, and distorted the reforms in the benefit of the cadres. The majority of cadre wished to hang on to the past privileges of power and felt themselves incapable of adapting to the new rules. A smaller group tried to leech off the reforms, unleashing a spiral of corruption. The weakest fraction, initially, was made up of those working for a de facto privatisation of the state economy, and their personal transformation into capitalists, at that time more or less illegally.

### Breaking the iron rice bowl

The workers in the core state sector have waged a lively and largely successful struggle to protect the gains of the Maoist period; such as the guarantee of a job for life, equality of wages, social security, subsidised housing or food.

This is not the case of the "collective sector" - enterprises which belong to the organs of local and regional government, and workers' collectives. It is here that one finds a superexploitation of labour comparable to the horrors of the 19th century in Europe, and common to all capitalisms in their early phase. This new sector, in part composed of worker-peasants newly arrived from the villages, is tending to absorb the majority of the working class. It already counts 36 million people in the cities; and 90% of the 110 million people who work in rural enterprises. In short, the citadel of the state sector is besieged and menaced.



### The new Chinese capitalists

Small-scale, often family based capitalism (defined as private enterprises employing seven persons or less), employs nearly 30 million people in some 18 million enterprises. Some 240,000 Chinese-owned private companies employ eight people or more, (for a total of 3.5 million workers). Finally, about six million Chinese work for foreign-owned or joint venture capitalism (in 170,000 enterprises). This capitalist sector is far from insignificant. At the same time, for a country like China, it is still very small.

The quickest growing capitalist companies are those linked to the high cadres of the CCP, either through taking advantage of the progressive privatisation of the economy in the cities, or through parasitic control of a state enterprise. Equally successful are the big import-export companies, or the international investment enterprises (such as CITIC) set up by the state or the provinces and directed by high ranking Beijing or regional bureaucrats.

### Foreign capital

Foreign capital began to flow towards China at the end of the 1980s. 'Only' US\$42 billion of foreign investment took place between 1979 and 1991: in 1992 alone US\$58 billion was invested. And in 1993, over US\$100 billion of foreign capital arrived in China. Most foreign investors are ethnic Chinese, from Hong Kong, Taiwan or the diaspora. Foreign capital usually works through joint ventures with a local partner.

十月评论

October Review

Chinese-language analysis of  
Hong Kong, China and the world  
GPO Box 10144, Hong Kong

The future of Chinese capitalism depends on the evolution within the top nomenklatura and particularly the sons (less often the daughters) of the top Party chiefs. The "Party of the Princes" is preparing the total restoration of capitalism in China, but keeping its options open. The state has always played a considerable role in economic life (during the imperial period, under Chiang Kaishek's Guomindang (1928-1949) and under Mao). Not surprisingly, a number of top bureaucrats and capitalists favour some form of state capitalism, or private capitalism under state supervision. Any new capitalist China must take account of the particularities of the long Chinese past, including the traditional preeminence of the state and the mandarin-civil servant. Not surprisingly, top leaders of the Chinese Communist Party are literally fascinated by the Taiwanese model.

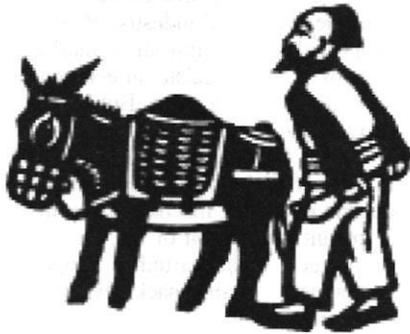
### Where is the opposition ?

Despite the generalised social crisis, discontent is not yet converging in a way that could bring down the regime. Nevertheless, the malcontents are more and more numerous. After benefiting from the early reforms, many peasants are now encountering abuses of the tax system, stagnation of the standard of living, and a growing gap between the price of agricultural products and those of the goods they buy. They sense that the countryside is again falling back in relation to the evolution of urban life.

At the same time, many city dwellers are also dissatisfied. Workers in the core state-owned enterprises are threatened with the loss of their protected status, while workers in the "new sectors" face conditions of superexploitation - it is no longer uncommon to work 16 hours a day, 6 or 7 days a week.

The number of strikes and protests by "new sector" workers is increasing. The creation of embryonic structures to defend workers' rights continues. As for the official trades unions, they remain inactive, or stand clearly behind the bosses. It is not uncommon for the director of an enterprise to combine his managerial role with the positions of Communist Party secretary in the enterprise and Chairman of the trade union.

Even the small capitalists are



complaining. Bureaucrats incessantly demand bribes; cadres bully them or illegally hinder their economic activity.

On the margins of society, tens of millions of unregistered peasants scratch out an illegal existence in the towns. An old-new Chinese "milieu" of delinquency and gangsterism is developing.

The China which affirms itself more and more on the international scene, is still a nation menaced by a vast social crisis, five years after the explosion at Tiananmen.

### The end of the regime

The country is at a turning point. Choosing a successor to Deng, is more than a struggle between factions, a difficult and uncertain task in itself. The end of Deng's reign will signal the end of the regime. If it can take new initiatives, it may succeed in managing the mutation of the system and of society; and transform itself into a capitalist elite. Otherwise, it will dissipate.

As in many other countries, the perspective of social emancipation, of a liberating socialism is not an imminent possibility. Nevertheless, a popular explosion cannot be completely ruled out in the current context. It remains one of the great fears of the regime as Deng fades away. ★

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#### Notes

1) Born in 1904, Deng Xiaoping is an old man at the top of a pyramid of old men. Deng became a Communist in the early 1920s, and rose through the party-state structures as a faithful Maoist. He carried out some of Mao's dirty work (including the purging of the intellectuals in 1957), before taking his distances from the Great Helmsman after the Great Leap Forward (1958-1960). Not surprisingly, he was one of the most prominent victims of the Cultural Revolution. Deng, who turned 90 years old in August 1994, has not been seen in public for over a year. No successor is apparent.



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For a different evaluation of current reforms in China, see The costs of growth (IV 259, September 1994) and China in transition (IV 260), both by Livio Maitan, author of Il dilemma cinese (Rome 1994)

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- ★ **Women and Fundamentalism**
- ★ **What's Left? The West European Communist Parties in 1995**
- ★ **Boris Kagarlitsky on Chechnya**
- ★ **African socialists in Senegal**



# Brussels, 25-26 February Telecommunications workers connect internationally !

**T**elecommunications is one of the fastest-growing sectors of the world economy. The market for materials constructors is worth about \$US 100 billion, and the market for services (telecommunications operators) an incredible \$US410 billion. The three biggest constructors are Alcatel NV (French), AT&T (U.S. owned) and Siemens (German).

This strong growth rate is accompanied by the development of new services, which rely on state-of-the-art technology. Beyond the humble telephone there has been an explosion in mobile communications and all those involved are interested in the next stage: 'multi-media' and wide band transmission.

For large capitalist groupings and the governments, there is a great deal at stake in telecommunications. They hope the sector will work as a motor to relaunch the rest of the economy.

Telecommunications has experienced two great waves of free-market reforms. The first phase of 'deregulation' began under the impetus of the USA, in the early 1970s. This meant moving from a situation where national monopolies carried out public service assignments to one where smaller state enterprises or private sector companies realise some services. In the USA, AT&T was split into 7 regional companies and competition established on inter-regional and international lines (where AT&T, MCI and Sprint compete for customers).

The model was exported to Japan and to England (where the private company Mercury began to compete with British Telecom for long distance callers). Elsewhere the evolution has been more moderate, but the pattern is the same: introduction of doses of competition into very protected markets.

Today we have entered a new phase, a phase where all parts of the telephone network are being opened wide to all potential competitors. In the USA, local operators frightened of destabilisation of the post-70s status quo, or the growth of new private monopolies, persuaded the Congress to give a negative first opinion to the Clinton administration's package of measures for a second

round of deregulation. But the battle is not yet over. Things are moving faster in Europe: the Completely unaccountable European Council of Ministers has adopted a project to completely open up the sector to competition from 1998. This proposal was explicitly rejected by the European Parliament in June 1994.

The G-7 coordination group (a meeting of the leaders of the 7 most industrial countries) will meet in Brussels on 25-26 February to discuss telecommunications. The meeting was requested by the Clinton administration, which wants Europe and Japan to open up their markets to North American telecommunications equipment producers faster than they are currently doing.

In practical terms, the political significance of the summit is clear: it will speed up the privatisation and exposure to competition of the currently state-owned telecommunications companies. With further deregulation decisively blocked in Germany and Greece, the main "fat" markets are France, Italy, Switzerland and Belgium.

The consequences for public service telecommunications workers are plain. Even in private telecommunications companies, workforce reduction programmes and redundancy policies are on the increase. The users of public telecommunication services are threatened too. The equal treatment of users is being abandoned: rural users might soon have to pay the full cost of connection to the network. The tariff structure in most countries is being recalibrated in favour of business users and at the expense of the public.

An offensive of these proportions calls for a trade union response: a reaction that mobilises employees, and determines the way forward for a modern public service. Now more than ever, the solutions

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have to be built at the international level.

The G-7 meeting could be the opportunity to create the necessary union coordination. In Belgium a committee for organising a "Counter G-7" is in the process of being established. ★

## French 'SUD' Union advances

The SUD federation in France is one of the most dynamic elements in the movement for international solidarity of telecom workers. **Solidaires, Unitaires, Democratiques - Together, United, Democratic** was created in January 1989 by CFDT-PTT militants from the Paris region, who were sanctioned by the national federation at the end of 1988 for having supported striking white-collar workers. The confederate management of the CFDT was trying to rid itself of the most combative elements among its member unions, i.e. the PTT and health unions in the Paris region.

In 1989 elections for workers' representatives, SUD won 4.5% of the vote in the Post Office and 6% in France Telecom. Over the last six years, through struggles to protect the public status of the Post Office and France Telecom, SUD has grouped militants involved in coordination activities and the core of those militants opposed to the CFDT and the CGT. The results are clear. In similar workplace elections in 1994, SUD won 12% of the vote in the Post Office and 22% in France Telecom (second place among the unions represented). Membership of SUD has grown 400% since 1989. ★