

International VIEWPOINT

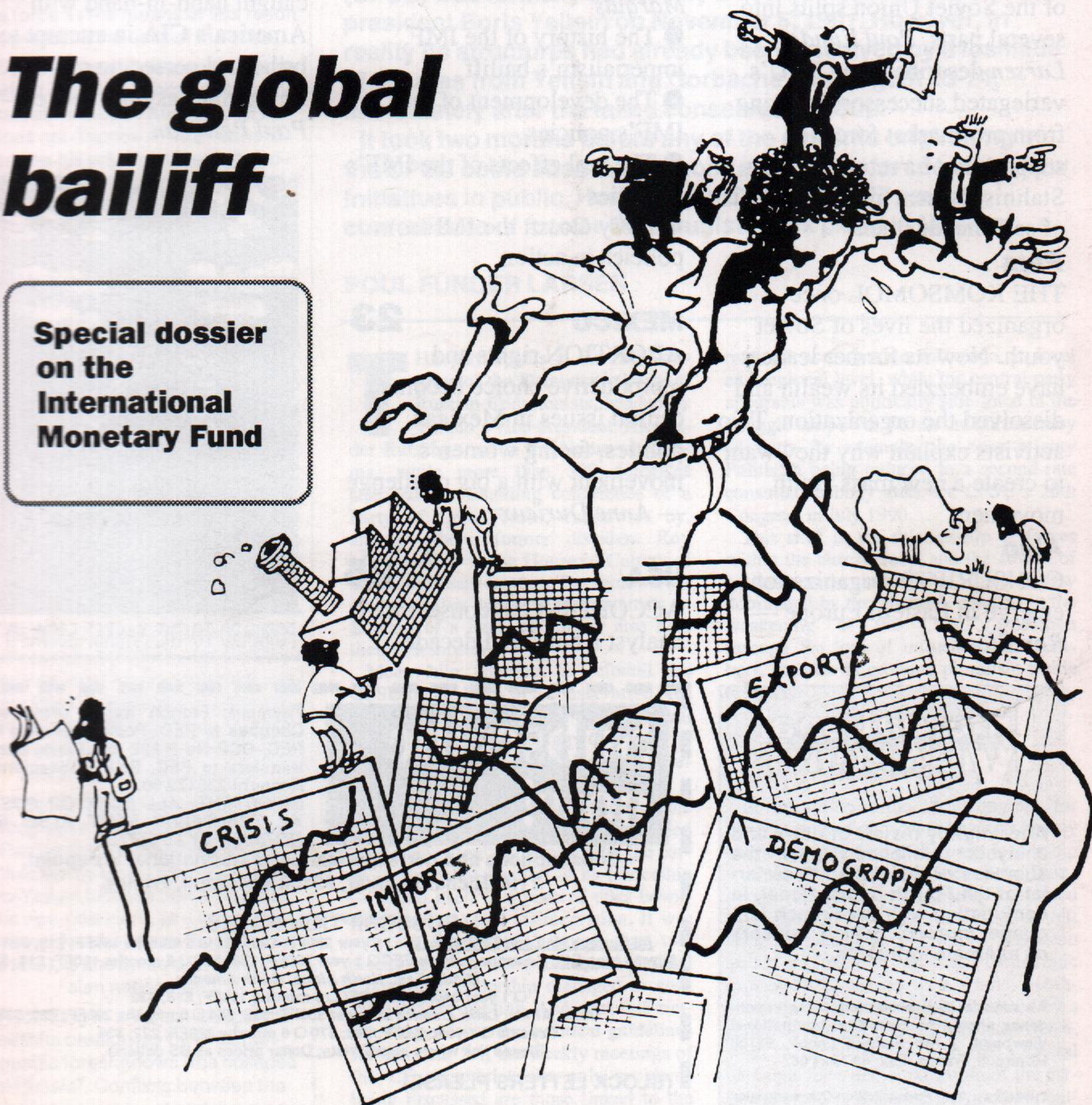
Issue 217

November 25, 1991

£1.50; \$2.75; C\$3; 16FF

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A fortnightly review of news and analysis published under the auspices of the United Secretariat of the Fourth International, in conjunction with the French language *Inprecor*, which appears on alternate fortnights.

All editorial and subscription correspondence should be mailed to: International Viewpoint, 2 rue Richard Lenoir, 93108 Montreuil, France. Fax: 43 79 21 06.

Published by Presse-Edition-Communication (PEC). Directeur de publication: Christian Lamotte. Commission paritaire: 64324. ISSN: 0294-2925. Imprimé par Rotographie.

International Viewpoint is catalogued by the US Alternative Press Index.

● News closing date:
November 15, 1991

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Yeltsin shows his teeth

RUSSIAN president Boris Yeltsin's botched attempt to impose a state of emergency on the rebel Checheno-Ingush autonomous republic in the second week of November shows two things: firstly that the "democrat" Yeltsin, like his Stalinist predecessors, is ready to use force as the means of first resort to preserve the unity of the state.

Secondly, and following the same pattern as the crumbling of the conservative coup in August, that he does not dispose of the means to impose his will. The Chechen pro-independence forces simply ignored Yeltsin's decrees, while the Russian parliament over-ruled his decisions.

At the same time it became clear that Yeltsin does not have control of the state repressive apparatus. His minister of the interior, the man who would be in charge of any attempt to suppress the Chechen rebellion, P. Barannikov, stated that both he and Soviet president Mikhail Gorbachev wanted to resolve the conflict by political, not military means.

In the minds of bourgeois commentators, Yeltsin's humiliation over Chechen-Ingushia raises doubts about his ability to force through drastic pro-market economic reforms.

Gorbachev's support for political and economic pressure on the Chechens as an alternative to direct military force, meanwhile, is part of a bid to regain ground in his contest with Yeltsin over who is most worthy of the support of the West.

Yeltsin's drive to re-establish a strong state in Russia will continue. Parties that opposed him on the Chechen question have split, with pro-Yeltsin factions breaking away. His vice-president, ex-Communist General Rutskoy (see the following article), is known as a Great Russian nationalist.

According to a Yeltsin aide, a successful breakaway by Chechen-Ingushia foreshadows "the collapse of Russia". Conflicts between the Russian government and the many non-Russian peoples under its rule can be expected to grow.

Resistance to repressive solutions to these conflicts will become central to the struggle to check Yeltsin's drive to establish a strong state able to push through draconian economic reforms. ★

Whatever happened to the Soviet Communist Party?

THE ONCE all-powerful Communist Party of the Soviet Union (CPSU) was formally banned by a decree from Russian president Boris Yeltsin on November 6, 1991. However, in reality its structures had already been dissolved by a fusillade of decrees from Yeltsin and Gorbachev on August 23-24, immediately after the failed conservative coup.

It took two months before any of the currents originating in the CPSU could absorb the shock and gather force to take new initiatives in public. However, on October 26-27 several conferences of former Communists took place in Moscow.

POUL FUNDER LARSEN

THE participants at the first congress of the Democratic Party of Russian Communists, headed by Yeltsin's vice-president, Alexander Rutskoy, met in the House of Cinema, while more than 300 delegates attended the founding conference of a Party of Left Forces, called for by, among others, former dissident Roy Medvedev — in the House of Culture of the Kompressor factory. The same weekend a smaller group of Communists in Support of a Party of Labour also held their first meeting.

Meanwhile attempts to refound the CPSU on the basis of a conservative programme are proliferating — with several competing projects being put forward by neo-Stalinist and "traditionalist" currents.

After the decreed "suspension of the activities of the CPSU" and the so-called "nationalization" of its property, the party — and what was left of its leadership — found itself in a state of utter bewilderment and rapid disintegration. It was only on September 5 (more than two weeks after the coup) that the Central Committee leadership managed to convene its first meeting. And even this meeting did not issue any political guidelines for activists: "At the weekly meetings of the CC secretariat, the only problems being discussed are those linked to the creation of jobs [for former party workers]"¹.

This is an indication of the profound crisis which gripped the CPSU even before the coup as a consequence of the break-down of the traditional bureaucratic structures for the management of Soviet society. In this uneven process, at least until the coup, party committees

retained considerable influence at local and regional level, while the central party apparatus was politically side-lined in the struggle for power within the bureaucracy — with, for example, the once mighty Politburo being reduced to a second-rate consultative body after the CPSU's 28th Congress in July 1990.

This shift in the relationship of forces within the bureaucracy, and the advent of a democratic movement (increasingly dominated by the liberals), resulted in the weakening of the CPSU's position through the loss of influence and members, but also in growing pluralism inside the party.

Open challenges to leadership

In the run-up to the 28th Congress, for the first time in decades, platforms openly challenging the line of the party leadership were formed. The emergence of the Democratic Platform — primarily supported by liberal intellectuals, but with a few left wingers joining in — was a reflection within the party of the broad democratic movement in society as a whole. Meanwhile the Marxist Platform, initiated by a group of Marxist intellectuals in Moscow, went a step further than the general demands for a democratization of the party and society, attacking the predominantly liberal economic orientation nurtured by leading layers of the nomenklatura². Both of these opposition platforms contained different political tendencies — the

1. *Kommersant*, September 16, 1991.

2. "Nomenklatura" is the Russian term used to describe the holders of the country's top jobs, occupancy of which was in the gift of the CPSU's ruling circles.

Democratic Platform various brands of liberals and social democrats; the Marxist Platform both genuine socialists promoting self-managed socialism and more conservative currents.

However, neither of the two platforms was able to win a significant share of the delegates to the 28th Congress, which was as much as ever a congress of the apparatchiks.³ Following the congress several leaders of the Democratic Platform — including former spokesperson Vladimir Lysenko and the former head of the Higher Party School, Shostakovsky — went on to form the Republican Party, situating itself on the “moderate right” of Soviet politics.

But this initiative failed to attract substantial support among either the real leaders or the “democrats” (such as Yeltsin or Popov), who thought the formation of a bourgeois opposition party premature, or among broad layers of party members.

Broad front of democratic forces

The remains of the Democratic Platform tried to create a broader alliance of democratic “non-liberal” forces within the CPSU through the formation of a Democratic Movement of Communists. This was set up in November 1990 at a joint conference with some other currents — Marxism 21, Young Communists and the Left Centre.

But it remained largely an initiative on paper, since it was not based on any coherent programme of opposition to the party leadership and did not offer a pole of attraction to rank-and-file Communists, who remained throughout the whole period passive in front of the faltering increasingly pro-liberal policies of the leadership and the mounting social crisis.

The Marxist Platform, for its part, found itself paralyzed at several key moments because of the internal differences between its conservative and democratic wings.

After the 28th Congress, the decline in the CPSU's membership accelerated. At the CC plenary meeting in July this year, the last before the coup, Gorbachev gave the following figures: “By July 1, there were — according to preliminary statement — 15 million members of the CPSU; the same number as in 1973. In a year and a half, the membership has dropped by 4.2 million people.”⁴ The decline was especially steep in the non-Russian republics suffering from the centralist policies of the party/state leadership — provoking splits in many of the republican Communist parties — but also quite strong in a series of industrial regions of Russia hard hit by the social crisis.⁵

It is highly likely that the real drop in membership was even more dramatic than Gorbachev admitted; in the first quarter of

their dues — a sign of growing demoralization in the party ranks. Over the past year the party press has also been cut back, with the run of the central party daily, *Pravda*, being cut from 10 million copies a day to around 3 million.

Shortly before the coup, the Yeltsinites lashed out against one of the CPSU's cornerstones, prohibiting its organizations in the workplaces. This was an attack on the party, but also on the right to organize any kind of political activity in the workplace. “The desire to remove the political struggle from the enterprises does not fit very well with the Russian president's professed democratism. On the other hand, considering the stifling of the work collective councils and the company character of the trade unions, this step gives even more arbitrary power to the management. Despite the conservatism, weakness and at times even fictitious nature of the primary organizations of the CPSU, some of them... in conditions of growing crisis could become centres for the crystallization of protest in the work collectives. The attempts to prevent this, along with the desire to undermine the basis of the CPSU, were the basic motives of the edict.”⁶

The rapidly progressing disintegration of the CPSU was accompanied by ever more fierce and open faction fights among the extremely disparate interests represented within the party — with political expressions ranging from neo-Stalinism to free market liberalism.

This in turn rendered the party increasingly obsolete, even as a means of political expression, for leading layers of the nomenklatura, which in the present situation (even before the coup) had no interest in sticking to the ideological legacy of the CPSU.

Elite deserts Communist Party

A whole layer of the elite (symbolized by figures such as Shevardnadze, Yakovlev and Volsky) was breaking away — moving towards the Movement for Democratic Reform founded at the start of July. A final attempt to turn the CPSU into a parliamentary party on a reformist basis was at the very heart of the new draft party programme presented by Gorbachev to the July plenary meeting of the CC after protracted discussions in the top echelons of the party (it was allegedly redrafted eight times).

The social democratic edge of the draft programme came in for criticism at the CC meeting (for example, from Leningrad party boss Boris Gidasov and Andrei Prigarin of the Marxist Platform), but it was undoubtedly Gorbachev who expressed the position of the party's leading circles. “The fear (of a social democratization) of the CPSU is based on ideological disagreements which were created already during the revolution and

after the civil war. At that time the Communists and Social Democrats found themselves on different sides of the barricades. It is a task for the historians to sort out the entanglements of that time, but it is quite obvious that the criteria for the contradictions that arose at that time — the attitudes to the use of force, the dictatorship of the proletariat and democracy, the role of socialist consciousness and the political vanguard — have lost their former importance. We have changed — and the Social Democrats have changed.”⁷

On top of this overture to a reformist “re-foundation” of the party, Gorbachev did not exclude the eventual renaming of the CPSU (as a “socialist” or “social democratic” party) but proposed to postpone the decision. The question of the programme was to be dealt with at the end of this year by the 29th Congress, which will obviously now never be convened.

The strange silence of the putschists

It is a remarkable indication of the internal regime within the CPSU and its CC that none of the future “GKChPists” (putschists) — who staged their coup only three weeks later, thereby paving the way for the liquidation of the party — made an intervention at the plenary meeting. Anatoly Lukyanov, the only person directly linked to the coup who spoke, stressed: “The party can't bear losing the President, as the President can't bear losing his party.”⁸

The developments in the last weeks of August clearly changed the relationship of forces among the bureaucrats, involving an extensive reshuffling of personnel and an immense redistribution of money and property. It seems that the essence of this process is a re-alignment between leading layers of the party bureaucracy (as one part of the old nomenklatura) and the new elites.

A recent instance — one of many — is described by a socialist from St. Petersburg: “Where do the former party functionaries go now? Where can they get work according to their abilities? ‘As a caretaker!’ one angry radical shouts. But of course he misses the point. ‘In the leadership of a joint venture, in a cooperative,

3. For additional research on the CPSU's 28th Congress, see *International Viewpoint*, no. 190.

4. *Pravda*, July 26, 1991.

5. For example in the Tyumen region of Western Siberia (the main oil-producing region of Russia) 46,000 of 158,000 members (that is 29%) left the party in 1990. By July 1 there were 7.5 million members of the CPSU in the Russian Federation.

6. Nikolai Preobrazhensky, “The coup and after” in *Socialist Alternatives*, Montreal 1991.

7. *Pravda*, *ibid*.

8. *Pravda*, July 29, 1991.

9. The Mayor of St. Petersburg, Anatoly Sobchak, is a prominent liberal who has been pressing for the creation of a free trade zone in the St. Petersburg area. Smolny is the former girls' school for the nobility used by the Petrograd Soviet and the Bolsheviks in 1917. Until the August coup it was the CPSU's headquarters in Leningrad.

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in the local administration' the shrewd person says. And he is right; this is indeed the beaten track for many. But there are also more peculiar variants. It is a well-known fact that right now the administration of the Mayor of St. Petersburg is moving to the Smolny.⁹ However, it is not known to everyone that many of the persons in Sobchak's retinue are not entering the institute for noble ladies for the first time.

"One can for example take a look at the composition of the government of the notorious free trade zone — under the auspices of the Mayor of Leningrad — and compare it to the list of members of the last two assemblies of the regional party committee (Obkom)." It then turns out that of the fourteen members of this powerful council, eight have indeed in the recent past been in the leadership of the CPSU in St. Petersburg.¹⁰

Yeltsin's henchman

The Democratic Party of Russian Communists headed by Alexander Rutskoy — a former army general and leader of the chauvinist "Fatherland" society, who has made a brilliant career as the henchman of Yeltsin — is one political expression of this layer of middle and high-ranking bureaucrats in the party and state apparatuses (for example, enterprise managers) opting for an alliance with the new ruling circles. Rutskoy was the leader of the group of CPSU deputies in the Russian parliament which, under the name Communists for Democracy, went over to the liberals in April this year, supporting extended powers for Boris Yeltsin. He was also a co-founder of the Movement for Democratic Reform and presided over

the formation of an "independent" party of Russian Communists (still within the framework of the CPSU) on August 2-3. At this founding conference most of the remnants of the failed Democratic Movement of Communists joined Rutskoy's party.

At its first congress on October 26-27 the party could in a certain sense pose as the "ruling party" of Russia — or at least as a key element in the ruling coalition — thereby attracting many former CPSU careerists. On the whole the congress confirmed the party's pragmatic trajectory — combining firm support for Yeltsin's liberal programme with slogans of social protection to coat the pill: "Among the tasks that the party lists in its minimum programme are the following: the removal of all limits to the rise of legal incomes and economic initiatives of the citizen; a rapid privatization of the small enterprises; a legally guaranteed minimum wage above the subsistence minimum; a government programme of employment; a military reform involving a transition to a professional army; an effort to overcome the paralysis of power through the election of local self-management bodies and a Russian parliament on a multi-party basis."¹¹

But in spite of the demand for free elections and the attempt to pose as a "left democratic party" Rutskoy has firmly supported the authoritarian drive towards a "strong executive power" — including the cancellation of elections for the local heads of administration (originally fixed for November) and the granting of wide-ranging "emergency powers" for Yeltsin on November 1. In order to further dissociate itself from its origins in the CPSU

(and from any kind of socialist commitment) the party during its first congress decided to adopt a new name, the Party of Free Russia (PSR).

In spite of this decision Rutskoy's party did not rule out the possibility to figure as a legal and financial "successor" of the CPSU — that is, to get a share of its vast fortune.

The fortune and property of the CPSU has clearly been a key issue in the whole post-coup period of manoeuvring on the political scene. It was from the outset clear that the decree on "nationalization" of the CPSU's property was not in tune with existing legislation: "the decree by the president of Russia on the handing over of the property of the CC of the CPSU to the Russian Council of Ministers, in charge of the Commission of Valuation, contradicts Russian laws on property and social organizations. These laws presuppose financial compensation for the owner of the nationalized property (in this case the CPSU) if the court has not proven either the illegal economic activity of the owner or the illegal acquisition of the property. It is not certain that this can be proven for all parts of the CPSU's property."¹²

Laying claim to CPSU's fortune

Therefore both the party of Rutskoy and the initiative taken by Roy Medvedev were laying claims to parts of the CPSU's fortune — while the "democratic" victors of August immediately started to fight over the distribution of the main pieces of party property.

The stakes in this game are indeed considerable. In an interview Yuri Petrov, a close aide of Yeltsin, tried to estimate the party's fortune: "By January 1, 1991, the value of the CPSU's basic means amounted to 5.2 billion roubles... the real estate of party committees and party administration, the economic, organizational and educational establishments of the party amounted to 2.7 billion roubles... on the current accounts in banks and in the cashiers' offices of the party are 5.4 billion roubles.... In safe custodies and credits there are 2.4 billion roubles, while various kinds of securities amount to 5.8 billion roubles."¹³

The CPSU was also increasingly involved in large-scale business operations: "The means of the party transferred to the Auto-Bank, the Bank of the Trade Unions, the Commercial Bank of Youth, the corporation Union-B and others (all in all 24 commercial operations) amount to 2.7 billion roubles."¹⁴

10. Igor Pykhalov, "Communists return to Smolny" unpublished article, October 1991.

11. *Izvestiya*, October 28, 1991.

12. *Kommersant*, September 30, 1991.

13. *Argumenty i Fakty*, no. 40, October 1991.

14. *Ibid.*

15. *Izvestiya*, November 5, 1991.

According to a recent statement this figure may be significantly higher: "We have been informed that the means of the CPSU placed in several bank accounts, and money invested in various small enterprises, joint ventures and joint stock companies have been withheld. More than five and a half billion roubles have so far been collected."¹⁵

This is obviously a touchy issue since the commercial operations of the CPSU involve a series of companies, liberal luminaries, and former nomenklaturists now condemning the crimes of the party that yesterday fed them. At the same time the scale of CPSU involvement in private business sheds at least some light on the whole process of nomenklatura-mafiaization of the economy through wild privatizations, shadowy deals and simple fraud. One recently disclosed case featured the Leningrad regional party committee (Obkom) in a joint venture with some British investors, in which considerable amounts of CPSU property (including two hotels and a car park) were transferred to a new private company. This transaction was found illegal by the St. Petersburg city court as "a breach of the CPSU's regulations."¹⁶

Party funds channeled abroad

In the Soviet liberal press, considerable attention has been paid to the international financial network of the CPSU and its attempts to channel funds into foreign companies (including those of several "sister parties"). In an internal document of the secretariat of the CC, dated August 23, 1990, the logic of these operations is formulated in a very frank manner: "...As the lessons of the communist parties of Eastern Europe have taught us, if we do not in time take steps to re-organize the property of the party in accordance with the demands of commercial activity, comprising it within a normal economic circulation — particularly under conditions of a transition to the market — the party will inevitably face serious consequences."¹⁷

In the document a series of concrete steps are outlined in order to considerably expand the commercial ventures of the CPSU — including large-scale investments in international syndicates, joint enterprises and the founding of a "bank controlled by the CC of the CPSU with the rights to conduct operations in hard currency." The leadership structure envisaged is a strongly hierarchical (and secret) one resembling that of a multinational corporation: "The final aim is, via the commercialization of the existing party property, to systematically found structures of an "invisible" party economy; to this work only a narrow circle will be admitted by the General Secretary of the CPSU and his deputy."¹⁸

6 Throughout the post-coup period, the indignant campaign of the Yeltsinites

against the shadowy transactions of the party has obviously served a political purpose: to pave the way for a ban on the CPSU, thereby once and for all outflanking the remnants of this party and acquiring its fortune. The fact that rank-and-file members over the years have contributed large sums to the party through their dues does not seem to interest the liberals. When directly asked about the size of this sum Yuri Petrov had to admit: "For the year 1990, dues paid by members amounted to 1 billion 245 million roubles." When the interviewer went on asking the pertinent question "are you considering returning the money to the rank-and-file members now that the party is being liquidated?" it drew the immediate reaction: "In my opinion this is absurd!"¹⁹

In order to support the case for a ban on the party a so-called "open hearing on the role of the CPSU in the coup of August 19-21" was held by the Supreme Soviet of Russia on October 21-22. This hearing produced some rather far-fetched suggestions and accusations. For example, *Izvestiya* "sensationally revealed" on its front page that former hardliner Yegor Ligachev had helped organize the coup in his Siberian home town of Tomsk — an allegation flatly denied by Ligachev himself and most other sources.²⁰ The thrust of the campaign was no secret to anyone: "In talks with the correspondents from *Nezavisimaya Gazeta*, members of the commission of inquiry [into the CPSU] did not make a secret of their conviction that such a decree [banning the party] was only a matter of time. And this is only the beginning. In the future, the theme of the hearings in the Russian Supreme Soviet will be extended and involve not only the complicity of the CPSU in the events of August 19-21 but also its responsibility for the erection of of a totalitarian dictatorship in the country."

"The result of these hearings, according to the members of the commission, should be the adoption of a special law by the parliament about the banning of all communist activities in the country."²¹ Presumably the self appointed Yeltsinite judges will be the ones to decide what parties and movements can be labelled "communist activities".

New Communist party gets vague start

Whether this will apply to the initiative for a Party of Left Forces taken by the anti-Stalinist historian Roy Medvedev and a group of former CPSU deputies at the start of October, remains unclear. The statement calling for the party's formation is extremely vague: "Today there is the possibility to found a strong party independent of the apparatus, consisting of people united by healthy ideas, honest goals, good fellowship (*tovarishestvo*). This will be the party of Freedom, Truth,

Morality, Justice."²² The ideological reference point of the initiative is the above-mentioned new programme of the CPSU ("Socialism, Democracy, Progress") drafted at the July plenary meeting. In several Soviet newspapers it was even reported that Mikhail Gorbachev "as an individual, but not as President" had expressed his support for the project in a conversation with one of its leaders, the people's deputy Anatoly Denisov.

Apparatus support for new CP

The initial declaration of the party was endorsed by some regional party leaders such as the former CPSU first secretary in Nizhni Novgorod (formerly Gorky), plus a string of deputies. At the founding conference on October 26-27 the majority of the 324 delegates seem to be former lower- and middle-ranking CPSU functionaries — with only 12% of those participating being workers.²³ The average age of the delegates was well above 40, and the general picture not very encouraging with endless discussions revolving around the party's name. In the end it was christened the Socialist Party of Workers (SPT), while several delegates from the conservative wing of the CPSU demanded in vain that the designation "Communist" be retained. The party is going to convene its first congress in December, and though it distances itself from the totalitarian past of the CPSU, the new party wants to figure as one of its suc-

16. *Kommersant*, November 4, 1991.

17. This document, signed by Vladimir Ivashko, Gorbachev's deputy, was published on the front page of the independent liberal newspaper *Nezavisimaya Gazeta*, October 31, 1991.

18. Ibid.

19. *Argumenty i Fakty*, op. cit.

20. *Izvestiya*, October 23, 1991.

21. *Nezavisimaya Gazeta*, October 24, 1991. The absolute majority of deputies in the Russian Supreme Soviet (including Boris Yeltsin) were members of the CPSU when they were elected in March 1990. The logical conclusion of the outlawing of the party would then, one should think, be the dissolution of parliament and new elections.

22. *Pravda*, October 3, 1991.

23. These figures were given in an oral report to the mandates commission, October 26, 1991.

24. In most non-Russian republics, parties originating from the CPSU and the Republican CPs have also been formed. At the beginning of September the former CP of Kazakhstan was re-named the Socialist Party of Kazakhstan, while Nursultan Nasarbáyev resigned as its first secretary. On October 26-27 a Socialist Party of Ukraine, comprising parts of the former CP of Ukraine, was set up at a congress in Kiev.

According to *Pravda*, October 28, 1991: "The ideological foundation of the party is scientific socialism. The Socialist Party of Ukraine wants to take all valuable experiences from the CPSU and CP of Ukraine, from the spiritual storehouse of the Ukrainian people and from international social democratic thinking."

25. It was an ominous sign of rising discontent and chauvinism that Shirinovskiy managed to come third (after Yeltsin and the CP candidate Ryzhkov) in the Russian presidential elections this June with his right wing chauvinist rhetoric. He suggested for example that the vocal opponent of Baltic self-determination, Viktor Alksnis, be made governor-general of the Baltic States.

26. *Kommersant*, September 16, 1991.

cessors.²⁴

Several groups from the conservative wing of the CPSU have declared their intention to form "Communist Parties" carrying on the bureaucratic traditions of the CPSU. These conservative tendencies had a certain rallying point in the Russian Communist Party set up by June 1990 — but politically they have been on the defensive for a long period. In Moscow, their main political activity after the coup seems to have been a permanent picket outside the Lenin museum demanding its preservation. Some of the conservative currents are flirting with Great Russian chauvinism while, for example, the right populist Liberal Democratic Party, headed by Shirinovskiy, has allegedly seen a considerable influx of disillusioned right wingers from the CPSU.²⁵

The neo-Stalinists of the Bolshevik Platform in the CPSU (founded by mid-July this year) and the Unity society, both led by Nina Andrejeva, are convening a congress at the end of this year to "revise the decisions of the 28th Congress of the CPSU, carry through a new 28th Congress" and "create a truly Bolshevik party."²⁶ Another conservative current, the Communist Initiative (the former Lenin-grad Initiative Congress), which may enjoy broader support than the troops of Nina Andrejeva (but far from the "four million communists" they claimed to represent at their second congress in June this year) has also announced a new party as a successor to the CPSU:

"At the end of November this year they plan to carry through a founding congress of the new party. Its basic aims are, seemingly, the struggle against the 'counter-revolutionary upheaval' and the rebuilding of a socialist system in the USSR — envisaging the supremacy of the public ownership of the means of production, the co-existence of planning and market mechanisms in the economy, power to the soviets organized on the basis of production, and the maintenance of the Union as a federation.

Support for return to past system

However, in practise, this organization supports any steps towards the return to 'socialism' which is identified with the past system or with any act oriented towards the re-building of the old, bureaucratic regime.

"Important elements in the practical work of the Communist Initiative are support for political leaders who are known to advocate an "iron-fist policy", and defence of the unity of the USSR, in reality by all means, including violent ones. In the activities of this organization you also find a clear touch of anti-semitism and a tendency to make alliances with neo-Stalinist and chauvinist organizations. After the coup the Communist Initiative has scarcely revised its positions."²⁷

Meanwhile the coup and its aftermath have accelerated the inevitable break-up of the Marxist Platform. Three different tendencies have come out of this process — two of them declaring their intention to found new Communist parties, while, the third (the left wing of the Platform) has endorsed the Party of Labour project.²⁸

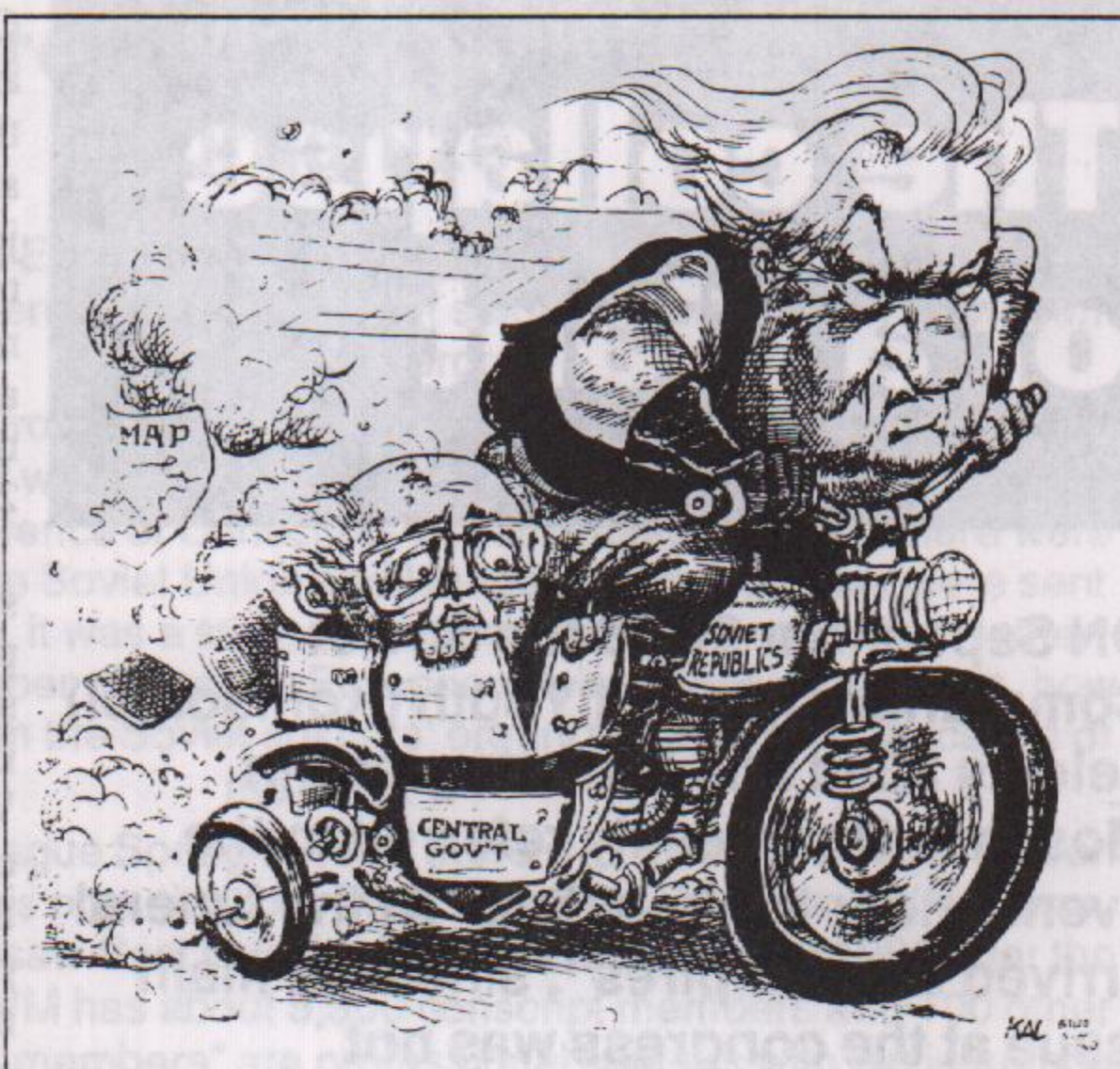
The first tendency, headed by Aleksei Prigarin, called for the formation of an organizing committee for a new Communist party, named the Union of Communists. The basic programmatic conceptions of this organizing committee are close to the ideas of the Communist Initiative but with some "extenuating circumstances" — that is without the chauvinism and neo-Stalinism. However, within this group there is still support for the idea of re-founding "socialism" through the use of bureaucratic methods. This fundamentally differentiates the supporters of Prigarin from the other initiatives.

The second tendency emerging from the Marxist Platform is headed by Anatoly Kryuchkov.

Socialism and the development of democracy

It also has called for the formation of an organizing committee for a new Communist party — the Party of Communists. Its basic principle is the idea that a viable socialist option and communist perspective presupposes the development of democracy (people's power) in economics, politics and national relations.

The third tendency, led by Alexander Buzgalin and Andrei Kolganov, supports the initiative for a Party of Labour. "We declared our withdrawal from the coordinating council of the Marxist Platform, because the movement in reality had drifted far away from its original programmatic conceptions and had become one of the neo-conservative forces in the country, particularly as regards the important question of relations between the nations. Though we basically support the programmatic conceptions of the group of Kryuchkov we think that the formation of a new Communist party — and certainly one considering itself a successor to the CPSU (such an idea can be found in the declaration of the Kryuchkov group) — will lead to the formation of a narrow, sect-like group isolated from the socialist mass movement, no matter how worthy the intentions of the initiators. Because of this we started organiz-



ing the initiative 'Communists in support of a Party of Labour'.²⁹

With the decree of November 6 banning the CPSU in Russia, Yeltsin has tried to take an axe to the juridical stalemate around the party property, while hoping to rid himself of one potential pole of opposition.

But given the socio-economic chaos and the evident perplexity and disunion within the liberal camp, he could soon face much more serious challenges — as the trade union demonstration on October 23 and the small but significant demonstration on November 7 indicate. A liberal newspaper noted with alarm some of the demands put forward by one of the ex-CPSU groups:

"(They) call on the authorities to guarantee the right to work, the right to strike, protection against unemployment, free medical care, truthful information, the right to travel freely. Besides, the document also contains some new programmatic ideas which — in the opinion of the orthodox — would save the country both from capitalism and stagnation: workers' control, re-introduction of planning into the economy, tough anti-inflationary measures.³⁰ It won't be the last time the Yeltsinites are confronted with such demands.

In the present situation, it would be rash to rule out in advance the possibility of some of the groups emerging from the ruins of the Communist Party gaining a following in time. However, the building of a broad, truly democratic, socialist movement today would certainly require a revival of the struggles and social movements — notably the workers' movements — in the republics of the former Union. ★

27. Alexander Buzgalin and Andrei Kolganov, "The structure of the left forces in the USSR after the coup of August", unpublished paper, Moscow, October 1991.

28. See IV, nos. 213, 214, 215.

29. Buzgalin and Kolganov, op. cit.

30. *Nezavisimaya Gazeta*, October 24, 1991.

The collapse of a giant

ON September 27-28 the Soviet Communist Union of Youth (Komsomol) held its 22nd and last congress in Moscow. One weekly referred to the event under the headline "At the funeral arrived the vampires"; since the main issue at the congress was not discussion of the situation of Soviet youth, but that of dividing up the organization's huge fortune.

POUL FUNDER LARSEN

IN FACT, this colossus, which by the mid-80s numbered 42 million members and still by the turn of the year retained, at least on paper, more than 20 million, vanished overnight. In its place republican youth unions are being created on a non-political basis. But by now most of Komsomol's funds and property have already gone, channeled in private companies and businesses headed by former bureaucrats.

For many decades, membership in Komsomol was effectively compulsory for students and young workers. Among youth it played the role of an "agent" for the CPSU and "socialist construction" (from Magnitostroj in the 1930s to the BAM-magistral in the 1970s); a relay for social control, an organizer of leisure activities and a distributor of benefits. During the perestroika years, the organization became increasingly discredited among broad layers of youth as the always subservient fellow traveller and symbol of the bureaucratic system, fraught with corruption and nepotism.

As Komsomol lost its monopoly on youth activities at the end of the 1980s, the organization's apparatus had to find new ways to secure its subsistence. Therefore the bureaucrats in the central, republican and regional structures of Komsomol became the vanguard of the spreading "turn to business". This was made easier by laws giving special tax relief to enterprises registered by Komsomol.

Soviet youth has been strongly affected by the social crisis of recent years. Most students get between 90 and 130 roubles a month in state grants, but today you need at least 4-500 roubles to subsist¹.

Consequently all students are in practice dependent on their parents — while more and more take on part-time jobs or engage in different types of street trading. Many newly educated specialists are in a hardly better position, receiving no more than 2-300 roubles a month.

At the bottom of society a sub-proletariat of young people is emerging — school drop-outs, demobilized soldiers and so on. When the privatization process gets going, hundreds of thousands of young unemployed, receiving only a meagre temporary allowance, may join them.²

The extreme shortage of housing is a permanent feature of Soviet life, often compelling young people to live with their parents, even when they have their own families. It is hardly likely that the announced privatization

will change anything in this respect, since young people do not have the money to buy a flat — or for that matter a flat they are entitled to buy.

The crisis affects all spheres of life: There are cut-backs in education, and the range and quality of leisure activities for youth has been reduced — while the lack of contraception and scant housing make life very difficult for young couples. In some areas, for example Moscow, the number of abortions is now said to be higher than that of births.

Throughout the last period, Komsomol has been politically quite passive, in spite of this tide of problems, sticking to the old bureaucratic routines while trying to build a commercial empire.

In recent months embryonic struggles have emerged among students protesting about their social conditions and the impact of privatization on education. Youth have also played a role in some strikes — notably in the miners' movement, but this is not a general trend.

However, there have been attempts, including within Komsomol itself, to form oppositions to the mainstream bureaucratic liberalism. Below we publish interviews with representatives of two such currents.

Igor Malyarov is a leader of the Youth Movement Communist Initiative, which drew much attention in the Soviet press for picketing the last Komsomol congress with demands for a democratic discussion within the organization before any decision on its dismantling. Their perspective is for a "rebirth of Komsomol" as an organization containing all kinds of socialists. However, it seems doubtful if this is a viable perspective

given the organization's past and its bad reputation among most young people.

Dmitry Solonnikov represents another tendency, the Federation of Socialist Youth (FSY) which has close ties to the Socialist Party.

They came out of a broad, democratic opposition current, the "Surgut Alternative" which emerged before Komsomol's 21st Congress. ★

1. According to the Moscow Federation of Trade Unions the subsistence minimum is 510 roubles a month. Furthermore the system of indexation lags far behind the inflation rate, which is more than 10% a month.

2. The average allowance in Moscow is 265 roubles a month — but after seven months of unemployment one only gets 45% of the previous wage and after one year nothing at all. *Argumenty i Fakty*, no. 44, November 1991.

"A congress of the bureaucrats"

IGOR MALYAROV is a post-graduate student at the Institute of Economics at Moscow State University and one of the leaders of the Youth Movement Communist Initiative which wants to set up a Communist successor to Komsomol.

The following interview was given to Poul Funder Larsen in Moscow at the beginning of October.

A SHORT time ago the 22nd Congress of Komsomol decided to abolish the organization — what was your impression of this last congress?

The 22nd Congress was convened by the Komsomol bureaucrats violating the organization's rules. These demand three months notice being given for a congress and the election of delegates by ballot — this was ignored. So the congress consisted 90% of Komsomol functionaries, the average age of the delegates was very high and the views of rank-and-file members were not heard before the dissolution of our organization. Our group picketed the meeting with placards, and at the con-

gress we put forward an alternative line to that of the leadership. We want the re-birth of an organization which can unite young socialists. This position was supported by around 20 delegates.

■ What tasks would such an organization face?

Right now a narrow circle of intellectuals, who already constituted a parasitic layer during the "years of stagnation" [under former party leader Brezhnev] are getting richer and consolidating their power. The part of society that is most exposed to this process is the youth. It is necessary to channel their protest into organized forms; to help people to create new jobs, get protection in case of layoffs, preserve free education, kindergartens and so on. If we can do that we will attract broad layers of young people. Working people have to learn to protect their rights — no one will do it for them.

■ What happens now with the Komsomol's property?

The property has formally been handed over to the joint stock company "Cooperation" which is the trustee of the Komsomol's assets — its print shop The Young Guard, the publishing house Echo, buildings, cars and so on. In reality it has been made over to former Komsomol functionaries turned businessmen.

We think that a considerable part of the property is being used to create profits for those leaders. For example, the Second Secretary of the Komsomol CC has become the director of the Young Guard joint stock company. These commercial firms give money away to various "independent" funds — and in the management of these funds you find the very same Komsomol functionaries who, previously, as "Komsomol activists" handed over the money.

■ At the congress, some of the delegates from the non-Russian republics saw the decision to abolish Komsomol as a kind of "Great Russian" conspiracy.

The fact is that the Russian Komsomol organization took the lion's share of the property. This created discontent among the other delegations. The decisions of the congress were by and large dictated by the Russian Komsomol, which was pressing for dissolution. In this process, Ruskoy's organization (see article on p. 3), the Democratic party of Russian Communists, now re-named The Party of Free Russia — played a dubious role. To a large extent this organization consists of former Komsomol apparatchiks, who now want to get Komsomol over and done with.

■ What is the social base of the your opposition current?

We only held our founding conference in December of last year. At that time we

East European soldiers begin to organize

AT THE conference of European conscripts held in the Netherlands this September (see IV216), there were a number of soldiers representatives present from Eastern Europe.

Before the fall of the Iron Curtain in 1989 it was impossible for conscripts to organize themselves. It was therefore a hopeful sign that at the 1989 meeting of the European Conference of Conscripts Organizations (ECCO) there were also conscripts from the Soviet Union and Hungary. Although they were sent by the army leadership, it was a start. At the recent conference in the Netherlands, there were a number of Eastern European delegations. There was, however, no delegation from the Soviet soldiers' organization, Shield, because of the coup.

Already during the Prague Spring in 1968 there was a soldiers' organization in Czechoslovakia. This organization, Svaz Vojenské Mládeže (SVM), was dissolved after the Warsaw Pact invasion, but re-established in 1990 after the fall of Stalinism. The SVM has about 5,500 conscript members and 100 other members. These "other members" are professional soldiers with big influence.

Until now this has not posed problems, but it is a strange situation for a conscripts' organization. SVM defends the social and democratic interests of conscripts. In Hungary a spokesman system is being established according to the standards in the ECCO programme. The Hungarian Ministry of Defence sent two conscripts to the Netherlands to gather experiences and information from other countries. There were also two conscripts from Slovenia who were interested in establishing an organization in the near future.

As in all East European countries, the situation of conscripts in Yugoslavia was very bad. Slovenia is trying to build a national army out of the militias.

Some conscripts are also trying to create a soldiers' union, to concern itself both with democracy and working conditions. At this moment there is already a four-day working week and legally conscripts have the right to refuse an order that is dangerous for their health.

At this moment the Czechoslovak and Hungarian army leaderships are trying to regain control after the chaos and power vacuum. For them there is no big difference between barracks Stalinism and authoritarian capitalism. The SVM announced that it was trying to organize an East European conscripts meeting.

— Ron Blom ★

decided to form an opposition within Komsomol, because there are no stable, political youth movements outside. So far most activists are students, young white-collar workers, post-graduate students. There are few workers. We think that as unemployment becomes an imminent danger we can also get support from young workers.

■ Given the general mood of disorientation from Communism following the August coup it seems difficult — perhaps even unwise — to try to "re-found" the Komsomol. Has the aftermath of the coup changed your views on this?

We think that the present structures of the Komsomol are neither Leninist nor communist. What we want to found is precisely a communist organization. We are trying to unite the whole spectrum of communist youth, who could work within such an organization. By the way, we do not understand why the August coup is being called a "communist" one. We don't consider these people communists, and the attack on the CPSU afterwards was absolutely illegal. If they can ban the CPSU today and confiscate its property the same could happen tomorrow to any

party not in tune with the rulers. I think this will happen and that the radical democrats, who in August greeted the fall of the CPSU and tore down statues, will be the first to suffer.

■ After the fall of the CPSU a series of initiatives to set up new parties have been taken. What is your attitude to them?

We are endeavouring not to split the forces that want a new Komsomol. Maybe one of the new organizations will gain real force. Among the people supporting our project you will find many different views. We take genuine interest in the Party of Labour project but have to see if it gets off the ground.

Our attitude to Roy Medvedev's party [see article p. 3] is negative. It is not difficult to sense that this is an undertaking of the apparatus. If the old apparatus founds a new party they are likely to get their share of what is left over from the CPSU's fortune. I think the new rulers will even help them in order to avoid the formation of a more serious opposition. You can't find the word socialism in their programme, so I think real supporters of socialist and communist ideas should look for other parties. ★

"This monster had to go"

DMITRY SOLONNIKOV is a student at the Electro-Technical Institute in St. Petersburg and a leader of the Federation of Socialist Youth in that city. The FSJ publishes *The New Paper* with a circulation of 20,000, with Dmitry editing its political coverage.

The following interview was conducted by Poul Funder Larsen in St. Petersburg in mid-October.

HOW do you view the last period of Komsomol's existence — and what political conclusions do you draw from its failure?

I think that already approximately one and a half years ago this organization — which had traditionally been an organ for the youth policy of the state and above all for the social protection of youth — had ceased to exist. For example at the 30th regional conference of Komsomol in Leningrad last year the question of its transformation into some social structures (a Union of Students, a Union of Young Workers and so on) was on the agenda. But this didn't happen and since there were no ideas about what to do with the organization it simply fell into decay; by the start of 1991 there was in reality neither a membership base nor any concrete activities.

I guess the negative aspect of the decline of Komsomol is that now there are no youth organizations whatsoever. But the fact that this totalitarian monster ceased to exist is an objective process. In a certain sense, Komsomol could only exist in a totalitarian state — it couldn't make the transition to a more democratic society. They didn't succeed in preserving or re-organizing the structures of these youth organizations in Eastern Europe either.

■ What has happened to the Komsomol property in St. Petersburg?

The same as everywhere.

The balance in the Komsomol accounts was 3 billion roubles and now almost nothing is left. Two years ago Komsomol in Leningrad controlled 25-30 million roubles. That was money invested in our hotel, in a youth tourist bureau, in other types of property as well as money in the accounts. But the Komsomol functionaries, understanding that the organization was doomed, have spent the past two or three years dispersing the money into commercial structures.

The hotel here in Leningrad was sold, but Komsomol kept 40% of the stocks. However, the contract is set up in a way that means Komsomol cannot claim its share if it is dissolved. Thus, it is likely that in the near future, the hotel will simply become a joint-stock company — there is already no link to Komsomol and the youth. Two weeks ago there were 200,000 roubles left in the regional account — we're broke!

■ Is it possible to set up independent youth organizations now that Komsomol is gone?

There have been some attempts. Students unions and associations exist in most institutes, but they are very small. For example the association in our institute, which has 7,000 students, has ten members. The biggest one is probably at Leningrad University — but even there there are only a hundred members out of 15,000 students. This is an aspect of the apathy of youth towards politics and general social issues.

We also have a Union of Young Workers in the city, which organizes at 10-15 of the biggest enterprises. This is now more or less independent, but it also originated in Komsomol; gradually the organizations in the large enterprises freed themselves from the regional Komsomol leadership and united.

In my opinion, the apathy of the youth is due to the fact that the reforms carried out in the last few years do not go in the right direction. In the first period, youth were among the most active supporters of *perestroika*. The former totalitarian system did not give young people the possibility to develop and use their potential. People supposed that Gorbachev's liberalization policies would open

up such possibilities, that attention would be paid to every individual and that youth would benefit from this.

But if formerly the bureaucracy suppressed young people, then now it is a new structure, that of capitalism, which has no interest in youth initiative or the lives of young people. The main interest is in profiteering, and this often happens at the expense of youth. Young people see that what they fought for has not materialized; many feel cheated and this fuels the feeling of apathy.

Three years ago when the People's Front was set up in Leningrad, as a democratic bloc in opposition to the Communist Party, there were many young people in it. It was easy to join; you took part in an action, you went to a meeting and you were in.

We also set up a branch of the People's Front and tried to put democracy into action. But when political understanding and the political scene developed and it was necessary to go from general, democratic slogans to more ideological work based on parties, most young people dropped out. Of course, on August 19-21, when it was necessary to defend the great, abstract ideals of democracy, many went to the barricades around the White House [the Russian parliament] in Moscow and the building of the Leningrad soviet. But afterwards they didn't join any organization.

■ But would you say that young people in Russia today are pro-liberal?

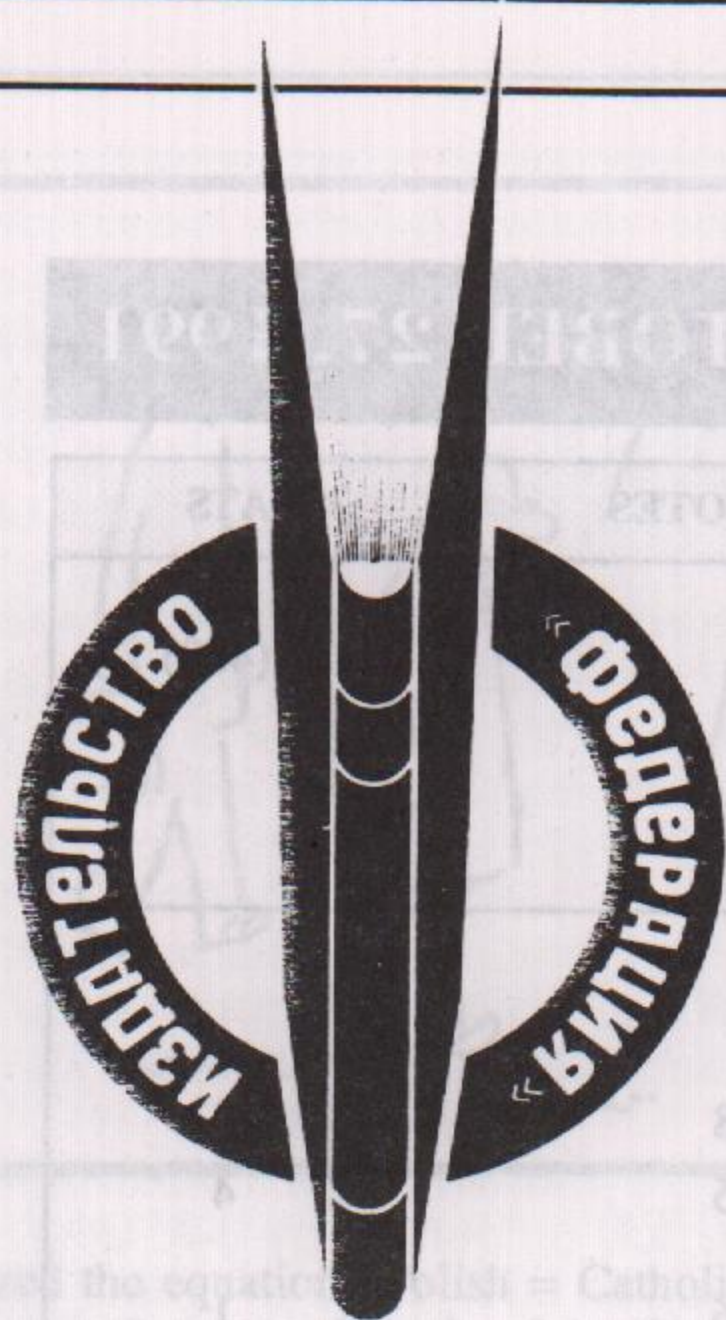
Youth now tend to be rather self-contained; everyone thinks about how personally to survive the crisis. The illusion is that in the future everyone will become a businessman and that consequently there is no need for collective action. People avoid involvement.

But in reality students are in a very difficult situation. Earlier you could go to Siberia or the Far East in the summer and work in construction, and earn say 2,000 roubles. On this, plus your grant, you could live for the whole year. But this is now impossible because of the breakdown in economic ties.

■ What is the background of your organization, the Federation of Socialist Youth?

In 1989, there was an opposition current within Komsomol, the Surgut Alternative, which called for Komsomol to be





re-organized.¹ We thought it necessary to demolish this totalitarian structure and instead form a system of youth organizations, divided by social and political criteria. I was part of this current as a delegate to the Komsomol's 21st Congress. We had alternative proposals for everything — we had our own candidate for chairman, we proposed to change the name and regulations... And we lost.

Following that, different youth structures were formed within the opposition — one was the FSU, another The Russian Democratic Association of Youth, identifying with the Democratic Party. That is, one went to the left, the other to the right. The FSU exists in seven cities, but its Leningrad branch is one of the strongest. We have the support of some Komsomol base organizations, numbering some 10,000 people on paper. But of course this is fictitious; in reality there are some 25-30 activists on which we can count.

■ What kind of activities do you carry out?

To give one example: next week we will give out a leaflet protesting against the draft. Some weeks ago the draft for the Soviet army was announced, even though a month before Gorbachev gave an amnesty to all former soldiers charged with desertion. By doing this he admitted that the state of things in the army is abnormal and inhuman, and that the structures of the army and the military courts are not able to deal with this themselves. However, the draft is still compulsory.

We think it should only be carried through if the laws on desertion are changed; people suffering from inhumane conditions should have the right to opt out and the powers of the military courts should be transferred to the jurisdiction of civilian courts. ★

Polish elections reveal scepticism and fragmentation

THE LEGISLATIVE elections of October 27 1991 forcefully confirmed the disillusionment felt by the Polish people with the current political scene. The policy of the "construction of capitalism", followed for two years by the political elites originating from Solidarnosc under the surveillance of the International Monetary Fund (IMF), has been massively rejected. But in the absence of a credible alternative, this negative consensus has not produced a consensus in favour of another policy. In fact, the extreme fragmentation of the voting meant that no formation got the votes of more than 6% of registered electors.

CYRIL SMUGA

“ALL the parties, without exception, have received a lesson in humility”. One cannot but agree with this judgement made by the editorialists of the daily *Polityka*¹, for only the Confederation for an Independent Poland (KPN, a nationalist formation), which lays claim to the tradition of Pilsudski², and which could pride itself on a record of 12 years of opposition, increased its number of votes in comparison with the presidential election of November 1990³.

The continuing rise in the number of abstentions — 39.37% in the first round of the presidential elections of 1990 and 46.6 % during its second round, 56.8% this time — indicates the disillusionment with the political process felt by a growing number of Poles.

The rejection of the neo-liberal policy, known as the “Balcerowicz plan”, imposed by the two successive governments of the new regime, is patent. The parties of the two successive prime ministers — Tadeusz Mazowiecki and Jan Krzysztof Bielecki — scored a total of only 8.07% of registered votes, and the Democratic Union lost more than 1.5 million votes, in comparison with the score for its candidate in the presidential election of November 1990, and this despite having been in opposition for nearly a year.

A new feature is the collapse of the electorate of the parties which carried Lech Walesa to the presidency: whereas the latter had scored more than 6.5 million votes in November 1990, the organizations which supported him then⁴ together obtained less than 4 million

votes this time. Lech Walesa, whose presidential function will be reinforced by these elections, given a parliament deprived both of legitimacy and a majority, would be wise to take account of the attrition of which he is the first victim, after only eleven months as president.

If the Catholic hierarchy refrained from giving precise instructions on how to vote, Catholic Action, and, to a lesser extent, the Centre Alliance, as well as some candidates from Trade Union Solidarnosc, benefited from the widespread support of the priests, a great number of whom did not hesitate to indicate the correct choice to their flocks at Mass on Sunday, October 27. The relative modesty of the scores of these formations, which have used and

1. *Polityka*, no. 44, November 2, 1991. *Polityka* is one of the principal Polish daily newspapers. It is close to the Social Democracy of the Republic of Poland (ex-Communist Party).

2. Polish statesman of the inter-war period, originating from the nationalist tradition of the Polish Socialist Party, and the instigator, in May 1926, of a coup d'état which inaugurated a dictatorial regime.

3. Its candidate, Leszek Moczulski, received around 411,516 votes, or 1.49% of registered voters.

4. Trade Union Solidarnosc, Centre Alliance, Peasant Movement, Catholic Action and Liberal Democratic Congress.

5. We should note also that the most openly reactionary and anti-Semitic groupings did not succeed in having anybody elected to parliament.

6. “Solidarnosc 80” originated from a split inside the clandestine movement at the time of the round table negotiations in 1989. It comprises a small fringe of radical workers (of the right, but also of the left in certain areas — notably in Warsaw where the organizer for this union in the carmaking enterprise FSO is a member of the Fourth International). “Solidarnosc 80” enjoys a significant implantation in the region of Szczecin where it obtained its only parliamentary seat during these elections.

1. The current was named after the city of Surgut where it held its first conference.

RESULTS OF PARLIAMENTARY ELECTIONS, OCTOBER 27, 1991

	NUMBER	% OF REGISTERED VOTERS	% OF POSITIVE VOTES	SEATS
Registered voters	27 516 166	100		(460)
Total votes cast	11 887 949	43,20		
Positive votes cast	11 218 602	40,77	100	
"Left"				
Democratic Left Alliance (SDRP)	1 343 989	4,88	11,98	60
Labour Solidarity (SP)	229 981	0,84	2,05	4
Social Democratic Movement (RDS)	51 606	0,19	0,46	1
"Peasants"				
PSL (Polish Peasants Party, ex-ZSL)	972 653	3,53	8,67	48
Agrarian Peasant Movement (formerly Rural Solidarnosc)	612 536	2,23	5,46	28
"Liberals"				
Democratic Union (Mazowiecki)	1 381 010	5,02	12,31	62
Liberal Democratic Congress (Bielecki)	839 151	3,05	7,48	37
Union of Real Politics (ultra-liberal)	252 419	0,92	2,25	3
"Christian Democrats"				
Christian Democracy	264 759	0,96	2,36	5
Party of Christian Democrats	124 526	0,45	1,11	4
"Right"				
Trade Union Solidarnosc	566 539	2,05	5,05	27
Centre Alliance	977 140	3,55	8,71	44
Catholic Action (National Christian Union)	979 384	3,56	8,73	49
Confederation for an Independent Poland (KPN)	841 395	3,06	7,50	46
National Minorities				
German Minority	131 258	0,48	1,17	7
Western Polish Union	25 803	0,09	0,23	4
Silesian Autonomy Movement	39 265	0,14	0,35	2
Others				
Beer-Lovers Party	366 848	1,33	3,27	16
Party "X" (Tyminski)	52 727	0,19	0,47	3
Others and local lists	1 165 613	4,24	10,39	10



abused the equation "Polish = Catholic", indicates that even the grip of the Church on society has also entered into crisis.

The respective scores obtained by the lists of the Trade Union "Solidarnosc", the Trade Union "Solidarnosc 80"⁶, and of the Union of the Democratic Left (comprising the Social Democracy of the Republic of Poland — SDRP, former Communist Party — and the former official OPZZ trade unions⁷), while they should be interpreted with prudence, bear witness to a shift in the relationship of forces inside the working class to the detriment of the trade unions originating from the anti-Communist underground.

The score obtained by the Social Democracy (former CP), which came second in terms of votes and will have a parliamentary group of 60 deputies, tends to mask the fact that the Polish left, all tendencies included, is the big loser of these elections. With less than 6% of the registered voters and hardly 14.5% of those who bothered to vote, it did not succeed in gathering around its candidates the protest vote of all those who do not support the social regression orchestrated by the new regime.

The post-Stalinist left (SDRP) lost nearly 170,000 votes in comparison with the score of its candidate Włodzimierz Cimoszewicz during the presidential election of 1990. The post-Solidarnosc left, with less than 300,000 votes, meanwhile, remains marginal⁸.

The left organizations centred their campaign on the necessity of preserving a state social policy and on criticism of the neo-liberal extremism of the right. However, they did not break in any significant manner with the idea that politics is the business of specialists, taking place in decision-making centres from which the majority of the population are *a priori* excluded. The concept of workers' self-organization — a value that was fundamental to Solidarnosc in the years 1980-81 — was absent from the pre-electoral jousts. The Polish left has thus paid for its submission to the dominant statism and to the conception of democracy as nothing

more than parliamentary combat.

The traditional division of the Polish political spectrum — the division between the old regime and the old opposition — is blurring. Thus, all the groups emerging from the tradition of the anti-bureaucratic opposition⁹ together did not succeed in mobilizing a quarter of the registered voters, whereas the parties originating from the old regime¹⁰ — who centred their agitation on the disastrous balance sheet¹¹ of the two years of transition towards capitalism — have not succeeded in profiting from the popular disarray.

At the same time, the new lines of divide between an anti-capitalist left, bearer of the values of individual liberty and of equality, and a restorationist right, increasingly tempted by authoritarianism and a Catholicism tainted with fundamentalism, are still too unformed and too affected by the divisions originating from the past to be clearly affirmed as yet.

The electoral results indicate, in their fashion, that the structure of Polish society is collapsing under the blows of the economic and social policy implemented by those who have appropriated the traditions of the anti-bureaucratic combat. But these elections also show that this collapse has not been accompanied — at least in a form which is reflected in the popular consciousness — by the birth of a new structure. They underline the extreme weakness of the new political institutions and the absence, even potentially, of an alternative option.

Already it is clear that the new parliament lacks legitimacy. Moreover, none of the potential blocs dispose of a majority allowing them to form a government. Although the majority of parliamentarians approve of the pro-capitalist option being implemented, it is hardly likely that the simple pursuit of the neo-liberal policy, so clearly rejected by the people, can contribute to the stabilization of the institutions. The growing social discontent could, in these circumstances, express itself on the streets.

The president can still resort to social

manipulation. In 1990, he had already had recourse, with a certain success, to the theme of the "acceleration" of the reforms, launching an attack on the conservative role supposedly played by the state and economic apparatus inherited from the old regime. On the eve of the elections, he once again attempted an operation of this kind; interviewed on television on Wednesday, October 23, he said that "a left development is contrary to the soul of the nation" and made it understood that he "knew where the bridgeheads of treason could be found".

The apprentice inquisitors

The members of his inner circle, ministers of state linked to the parties of the right, did not wait for this green light to launch the idea of an accelerated "deCommunization". This amounts to nothing less than an attack on the civil rights of those who, right or wrong, are assimilated by Walesa's cronies with the old regime. All talk with vaguely social connotations is, in the opinion of these apprentice inquisitors, to be blacklisted.

Walesa makes no secret of the fact that he hopes that the new parliament will leave his hands freer: "I am not a dictator, but I ask; how many centres of power do we have in this state? It is necessary that somebody leads. I say it; two forces have made a bloc. On the one hand the majority originating from Solidarnosc, which fears dictatorship and a strong regime — and one can understand [these people]. On the other, the post-Communist forces, which see in the excess of democracy the possibility of hiding the old sins, of new schemes and anarchy.

"To change the laws, some time is required and [these post-Communist forces] are swift moving and know how to profit from mistakes. They have the same slogans — more democracy, no decrees which will protect against excess. But during this time Poland will be sliced up, sold, and carried away in suitcases..."¹²

Although his popularity is at an all time low, Walesa appears as the last guarantee for the policy demanded by the IMF. And if his design demands the taking of some liberties with regard to democracy and human rights, the IMF will be the last to be offended. ★

7. The OPZZ (National Agreement of Trade Unions) is the trade union organization originating from the old regime.

8. At Wrocław, the list of Labour Solidarnosc, which included some militants identifying themselves with the Fourth International, obtained 10,299 votes, or around 2,000 less than the minimum necessary to obtain a deputy.

9. Labour Solidarnosc, Social Democratic Movement, Peasant Movement, Democratic Union, Liberal Democratic Congress, Trade Union Solidarnosc, Centre Agreement, Catholic Action and KPN.

10. The Social Democracy of the Republic of Poland (SDRP, former Polish United Workers Party [PZPR]) and the Polish Peasant Party (PSL, formerly ZSL) gained the support of less than 10% of registered voters.

11. See IV 215.

12. *Polityka* no. 43, October 26, 1991.

IMF: the global bailiff

"THE IMF has been humanized"¹ argue many waverers on the left as they try to discredit opponents of this Institution, which the French economist Marie-France l'Hériveau² has described as "an organ of world power." For the IMF's apologists, its critics are "doctrinaires" in whom "the IMF arouses conditioned reflexes".³ Having "structurally adjusted" its mode of thinking, this "realistic left" presents the IMF's current doctrine as the expression of a metamorphosis that will turn it into an "Institution for cooperation and development and for freeing the Third World of debt."

CHARLES-ANDRE UDRY

THE IMF originated from the desire of the United States during the Second World War to reshape international relations in a multi-lateralist perspective. At Bretton Woods in July 1944, a set of institutions were established to deal with international payments, financing and trade — for the first time on the basis of treaties.⁴

These were the IMF, the International Bank for Reconstruction and Development (World Bank) and the GATT (General Accord on Tariffs and Trade). The IMF officially began to function in 1945, concentrating on the financial angle in order to intervene in cases of temporary imbalances (capital movements, exchange rates) and allow compensating recourse to its resources.

The US was able to get the US dollar accepted as the easiest and most widespread means of international payment, the Gold Standard becoming the Dollar Standard at \$35 to the ounce. The Americans were able to finance their outgoings, among them the reconstruction of Europe, by means of obligatory credits that they controlled; their foreign investments were thus also propped up.

US fights for privileged status

This was the context in which the IMF's statutes were formed. The sum of contributions (shares) from the Fund's members — counted in dollars, their volume determined according to a series of technical criteria (international trade, reserves and production) — gave the US a privileged status, which that country has fought to preserve even after its relative economic decline became apparent from the start of the 1970s.

In 1968, when the crisis of the international financial system began, the statutes

were amended, requiring majorities of 85% for major decisions and 70% for day-to-day decisions. Votes are in proportion to shares, the latter being revised every five years.

In 1970, the US had 21% of the votes, in 1981 20% and in 1990 19.1%. Thus they have an effective right of veto, as do the members of the EEC, if they can agree. The 23 industrialized countries had 62.7% of the votes in 1990 as against 35.2% for the other 123 members.

As André Gunder Frank puts it, the voting principle is thus, one dollar one vote (and: no dollars, no votes!)⁵. Obviously, the IMF is not going to take decisions that go against the interests of the USA, Western Europe and Japan.

Executive Board calls the shots

The IMF's supreme body is the Council of Governors (one per member). However, the outlook and decisions of the IMF are in fact in the hands of the Executive Board, headed since 1987 by the Frenchman Michel Camdessus.

Five permanent directors are nominated by the five biggest subscribers (the USA, Britain, France, Germany and Japan). Saudi Arabia, as one of the big international creditors, has a right to a seat. Among the 15 remaining administrators, most are from countries with a positive balance of payments.

The IMF's resources are provided by the shares of members. Some 25% of these resources are in gold, or other solid money, and the remainder in national currencies. The IMF can borrow within limits to increase its resources.

At first, the shares were accounted in dollars, but since 1969 in Special Drawing Rights (SDRs). These latter are monetary assets that can be freely and

THE INTERNATIONAL MONETARY FUND (IMF), an international financial institution over which the United States has effective control, has been at the centre of the recent drive to open up the Third World and Eastern Europe in the economic interests of the world's rich countries. In a series of articles the Swiss revolutionary Marxist weekly *La Brèche* has been looking at the real record of this institution and its twin, the World Bank, in the context of a discussion on Switzerland's joining the IMF.

We publish below a historical article on the IMF by C-A. Udry, and an analysis in two parts of the IMF's policies by the same author, as well as a case history of the impact of those policies on the West African countries of Ivory Coast by J-F. Marquis. ★

immediately exchanged against the hard currency of a third country. Since 1974, the SDR's value has ceased to be defined in relation to gold or the dollar, but rather against a basket of the most important currencies (the US dollar, yen, DM, pound sterling, the French franc).

Thus, a member country has the right to buy quantities of a money it needs in order to settle its debts on current payments.

This can be done in the framework of "drawing rights"⁶. The first slice of credit — 25% of its share — is granted more or less automatically. For the rest — which can go to 125% or even 150% of the share — the credit is granted on increasingly tough conditions, involving a mounting programme of financial, monetary and trade measures.

The "conditionality" of IMF lending is embodied in the "letters of intent" agreed and signed between the IMF officials and the country's minister of finance and the detailed memoranda concerning access to lending and the "structural adjustment facilities" created in 1986.

A key tool for the creditor nations

While the IMF has been unable to deal with the crisis of the financial system in the central countries, it has nonetheless become a key tool in the redefinition of the roles of the industrial creditor countries and the rest of the world, the debtors. This role became clear at the time of Mexico's debt default in 1982, when that country stated that it could not service its debt to private banks.

Until that date the IMF had been encouraging private banks to lend to the Third World, after the recession of 1974-75 and

the halting recovery in the developed countries had made it difficult for them to find outlets for their money.

These loans were made on lucrative conditions; a significant proportion carried floating interest rates, which went up along with US interest rates under Reagan.

The IMF, in the context of the renegotiation of the South's debt (and later that of the East), plays the role of insurer of the banks against the risk of heavily indebted countries becoming insolvent. The small lender is the bailiff of the big lenders.

According to Dieter Ruloff: "In the era of heavy indebtedness of the 1980s, the IMF has increasingly become an accountant, an advisor and a lawyer in matters of debt management and the restructuring of the economies of Third World and Eastern bloc countries."⁷

The IMF has gradually come to use a combination of two systems: that of conditions attached to financing (drawing rights) and that of conditions without financing — in which the supervisory function becomes independent.

Assessments of good and bad behaviour

This consists of providing banks with assessments of the good or bad behaviour of the indebted countries, and thus determining their options. However the *content* of the conditions has changed over time, as we shall see.

Between 1970 and 1979, only a third of IMF aid involved conditions. Between 1980 and 1989, this rose to two thirds — the debt crisis had struck. In order to meet increased demand from indebted countries, relaxation was on the order of the day.

Nonetheless, countries with debts to the IMF who used their drawing rights well above the value of their shares have had to repay. By 1990 repayments were more than new lending, thus capital is now flowing towards the IMF.

The IMF's supporters assert that: "its work is now aimed at the medium or long term. Stabilization is no longer sought in the short-term, but in a period of five to ten years. The previous demands were too tough and had a de-stabilizing impact."⁸ In other words, rather than conditions aimed at short-term stabilization (volume of credit, public deficit, volume of hard currency reserves over the trade balance), now there are structural adjustments (privatization of public enterprises, customs policy, price policy, exchange rate management and so on).

This amounts to "a deepening of its interventions, an assumption of greater power on the definition of economic policies, and thus, in the last resort, a reduction in the sovereignty of the debtor states."⁹

Such adjustment policies are aimed at

safeguarding the conditions for growth, unlike the savage recessions imposed by the stabilization policies.

However, concrete results do not seem to confirm such optimism. According to the recent World Bank report,¹⁰ annual average growth of GDP in Latin America and the Caribbean from 1980 to 1989 was negative at -0.7%. *Per capita* domestic investments fell by 5.4%.

Private consumption *per capita* fell at a rate of 1% a year — with the brunt being borne by the poor and some sections of the middle class — and that of the governments by 0.2%. Imports shrank by 4.1% a year.

Meanwhile exports grew until 1989, when they stagnated, and trade balances again slid into deficit. The income from these exports went on debt repayment.

It would be hard to argue that these countries have not indeed structurally adjusted, but it would also be hard to describe the macro-economic effects as brilliant — and from the point of view of essential social services there has been a real disaster.

Honouring foreign commitments

But for the IMF an economy has "adjusted" when it is able to "honour its foreign commitments", by exporting capital to the centre.

It might be replied that the weight of the debt has been too heavy, but that the Brady Plan is going to change that.

In fact the reductions in interest rates and/or debt forgiveness by private banks have been more limited than was predicted. The gains, furthermore, must be offset against the increase in debt owed to official creditors.

Thus, such an operation — underpinned by provisions for unpaid debts prepared by the Western banks, which furthermore, they have been deducting from their tax returns — does not mean that the banks are going to grant new credits. The negative flow of resources will continue.

The Bank of International Settlements sums up thus a decisive advantage of the

negotiated remission of a portion of the debt: "by giving more legitimacy to unpopular measures destined to increase economic efficiency and the capacity to service the debt, it [the reduction of the debt] can reinforce the chances of success of structural adjustment programmes."¹¹

Let us look in more detail at the IMF's "philosophy". Such stabilization policies and structural adjustment programmes¹² presuppose a rationality of balances on the world scale, of supposed "points of natural equilibrium" directly attainable through "healthy management".

Thus, the distortions and historically established hierarchies of inequality which underpin the world economy are not taken into account.

These involve such things as unequal exchange between primary products and manufactured goods, or the rise in interest rates provoked by the US debt, resulting from Reagan's military Keynesianism. This is not to speak of the profoundly inequalitarian distribution of resources and revenues within the dependent countries.

As Bernis has pointed out "in itself equilibrium does not mean a thing, if you do not say what structure this equilibrium has, at what level it exists and for how long."¹³

Violent state intervention required

Moreover, the neo-liberal policies promoted by the IMF also, paradoxically, require violent state intervention to reach their fixed objectives — among which debt repayment is central. Even so, the state is required to abandon its social obligations at the very time when the social costs of structural adjustment call out for increased services.

The horizon of the stabilization policies — many of whose features have persisted into the epoch of structural adjustments — was formed by the balance of payments, which measures the totality of transactions with the rest of the world.

This balance falls under two main headings: current transactions (imports-exports, trade balance, spending on transport, tourism, insurance and so on) and

1. Georges Plomb in *Coopération*, May 30, 1991.

2. Marie-France l'Héritau, "Le FMI et le Tiers Monde", PUF-IEDES, Paris, 1986.

3. *Le Dossard* 153, Numéro spécial 969 de *Domaine public*, André Gavillet-Pierre Imhof, with the collaboration of Mario Carera.

4. On the historic background and functioning of these institutions see: Robert Fraser, "The World Financial System", Longmans, London, 1987.

5. André Gunder Frank, "No escape from the laws of World Economics" in *Review of African Political Economy*, no. 50, 1991.

6. Withdrawals of dollars are bought with the country's own currency.

Thus, if Mexico wants to withdraw dollars from the Funds, it pays in pesos. Since it does not cost Mexico to produce pesos, this "purchase" of dollars is in fact a form of credit.

7. *Lettre d'information CH* +6, no. 54, May 1991.

8. *Domaine public*, op. cit. p. 21.

9. Marie-France l'Héritau, "Le Nouvel Etat du

Monde, Bilan de la décennie" Ed. La Découverte, Paris 1990, p. 161.

10. "Report on world development 1990", World Bank, Washington p. 11 and Paul Burkett, "Poverty Crisis in the Third World: The Contradictions of World Bank Policy" In *Monthly Review*, December 1990.

11. Banque des règlements internationaux, *Rapport annuel*, June 11, 1990, Bâle, p. 175.

12. Among the literature on this theme, one can cite: Komer and Maass-Siebold, "The IMF and the Debt Crisis", Zed Books, London 1990; Sue Branford and Bernardo Kucinski, "The Debt Squads: The US, the Banks and Latin America", Zed Books, London 1990; T. Killick et al., "The Quest for Economic Stabilization: the IMF and the Third World", Heineman, London 1984; T. Killick and S. Commander "State Divestiture as a Policy Instrument in Developing Countries" in *World Development*, 1989.

13. G. de Bernis and Maurice Byé, "Relations économiques internationales", Dalloz 1987, p. 685.

capital movements (entry and exit of capitals, bank loans, investments by multinationals, debt servicing and so on).

Starting from the capital movements, the IMF arrives at the level of current transactions. On this basis it decides the volume of hard currency needed by a country to cover debt servicing, the payment of dividends to multinationals, royalties and so on. The stabilization plan then tackles the "imbalances" by reducing *global domestic demand which is considered excessive in relation to domestic (savings) and external capacities (debt servicing)*. The central objective thus becomes to increase exports and cut imports, so that dollars can be exported to the creditor banks. In the accord signed with the IMF the indebted country has to promise that no obstacle will be put in the way of the payment of dividends, royalties and so on.

There are many ways to intervene on the question of imports and exports. Drastic budget reductions are one. If wages and the number of state employees are cut and subsidies are suppressed, it is highly likely that demand will contract and imports of both foods and consumer goods plummet.

Across the board wage freezes, leading to a sharp fall in purchasing power through inflation, form part of the same approach. While the IMF proposes to "allow market forces to function freely" by getting rid of the "distortions" introduced by social subsidies and price controls, there is one price that remains subject to control — that of wages.

Devaluation holds back imports

Massive devaluations also hold back imports by increasing the prices of imported products. Thus, according to the last GATT report, in 1989 exports of developed countries to highly indebted under-developed countries were at the same level as in 1980.¹⁴

The IMF is unconcerned by the thought that if imports are cut back there will be a lack of essential supplies or aging of the productive apparatus (implying a drop in productivity).

The application of the same pro-export recipe to all indebted countries has meant competition between them, with a disastrous effect on raw material prices, all the more in that new substitute products tied to new technologies are now available in the imperialist countries.

In 1989, the average price of such products, excluding oil, was still less than 33% of what they were in 1980.¹⁵ Finally, when raw material prices are directly expressed in dollars, devaluations do not increase exports. To all this should be added the protectionist measures in place in the developed countries for some sectors, such as textiles.

Thus the improvement in the trade bal-

ance is largely a result of the cut in imports, involving brutal recessions and the increasing impoverishment of ever larger swathes of the population.

Towards the end of the 1980s the accent changed to "structural adjustments" with the idea of exercising a more precise control over the range of export products, goods manufactured internally and on domestic savings.

This new orientation shifts the centre of concern from the trade balance to the implementation of free market policies internally, although servicing the debt remains the objective.

The new line is summarized in a recent report by Switzerland's Federal Council: "Several countries have engaged in a fundamental re-direction of their economy; with a slimming down of the public sector, de-regulation of the financial sector, liberalization of the exchange regime and the encouragement of both foreign and domestic private investment."¹⁶

Hyper-inflation and protracted crisis

But in fact these programmes have done nothing to assist development; rather than growth we have seen rampant hyper-inflation and protracted crisis.

The fall in wages and the contraction of the domestic market it entails works against the modernization of industries producing for the domestic market. This favours precarious and speculative investments aimed at exports, which, in any case cannot compensate for the withdrawals from the trade balance resulting from the debt repayments.

Complete opening of frontiers in the framework of the present international division of labour does not automatically bring about the optimal allocation of resources, but it does allow the multinationals to reconquer markets.

It is accompanied by sweeping privatizations, which amounts to selling off strategic enterprises at cut price, given that the selling price overlooks the historic fact that this public sector has historically financed the private sector, both foreign and domestic.

Moreover, the income the state gains from these sales goes towards servicing the debt and providing incentives for multinational investors.

Thus the domestic cut-backs turn into a further transfer of wealth abroad, reinforced by the removal of any restrictions on the repatriation of profits by investors. Furthermore, the liberal tax policies which are promoted by the IMF — no taxes on unearned wealth and inheritance and no progressive income tax — work against investment of any kind in the long term. ★

14. "International Trade 89-90", vol. 1, GATT 1990, p. 11.

15. "Report on development", op. cit. p. 15.

16. *Feuille fédérale*, vol. 1, February 19, 1991, p. 393.

THIS conceals a central fact; in a given society, national or international, it is social relations which condition the workings of the "market". The "laws of the market" do not function in isolation from the relations between economic actors.

The IMF knows this as well, in practise. To allow the "free functioning of the market" in the countries where it intervenes — in the sense of their passive adjustment to the needs of the world economy, polarized around the rich industrialized countries — it imposes changes in the relations between economic actors, for example, between importers and exporters, wages and profits, multinationals and the "host country", towns and the countryside. The IMF is a strongly interventionist force.

The measures that it proposes reveal that the "rationality of the market" is connected to the irrational reality of the social system. The former recreates the latter in an evolving inter-action: unemployment-poverty; "privileged allocation of resources for forestry" and ecological catastrophes; or polarization between the flows of goods and riches on an international level (free transfer of the profits of multinationals and debt payments).

Before going further, however, we should recall that the IMF — and World Bank's — analyses are aimed at modifying a country's domestic economy, since it is felt that it is always internal deficiencies that provoke external imbalances. The touchstone here is the balance of payments, which measures the totality of transactions between a given country and the outside world, including imports and exports of goods, services, and capital flows from foreign investments to debt repayments. Starting from this idea, the IMF and World Bank propose a set of measures affecting final demand (in the short term) and the provision of products with an emphasis on exports (in the longer term).

The measures taken

Measures are taken involving: the suppression or reduction of subsidies on basic goods in order to free resources for "better use"; the freeing of agricultural prices (aimed at increasing them for the producers); lower wages; the lifting of barriers to imports to favour investment in export-oriented sectors; higher real interest rates, in order to favour local saving; devaluations of the local currency to stimulate exports (exporters gain more local currency for the hard currency they earn, and imports, becoming more expensive, fall); lifting of restrictions on capital transfers (for example, the profits of multinationals).

The result of this conception — that it is "domestic deficiencies" that are the key — is clear: the crisis in those countries that have historically found themselves on the periphery of the world economic sys-

A world in the IMF's image

THE IMF's apologists present its economic policies as being in line with natural (thus scientific) economic rules — the economy here being considered as equivalent to the market.

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tem is attributed *simply and solely* to the exhaustion of their own development model. The role of colonial and neo-colonial history is totally ignored, and the central target of criticism is the "bad management" of their governments.

The crisis is thus treated as if separable from the effects of integration into a hierarchical world system, with all this implies in terms of flows of capital, goods, productivity differences, technical, cultural, military and food dependence and in terms of the alliances formed between the elites of the North and South. In the IMF's world view, each country is treated as an independent unit, governed by macro-economic rules which are the same for all — thus the remedies proscribed are always the same.

For the past two decades a mixture of the exhaustion of growth models and regressive external constraints has been at work in the Third World. The former includes: extreme inegalitarianism in income redistribution, in which popular consumption falls while luxuries are sucked in; a spatial polarization of economic activity; agricultural paralysis and rural exodus. The latter involves a series of forms of dependency, whether financial, technological, commercial, cultural or in food and health.

All this leads to an unprecedented crisis. Some countries — such as Mexico and Brazil — fall more and more under the sway of the centre; others are virtually wiped out — as in Africa and Latin America. A Fourth World is born and dies at the same time.

However the combination of external and internal factors has to be placed in its context — the totality of really existing capitalism worldwide, in which the economies of the South occupy a subordinate position. This positioning over-determines the working out of the crisis and makes the internal economy even more fragile. The oft-cited exceptions — South Korea, Taiwan or Singapore — have also had exceptional histories, not to speak of the application of policies quite different from those now being promoted by the IMF.

A look at the structure of the world economy will enable us to more easily grasp the logic behind the policies imposed on

dozens of countries by the IMF and World Bank. The increase in economic interdependence over the past 25 years has mainly affected the countries of the centre (North America, Western Europe and Japan), both in terms of investments and trade.

Significant markets

However the countries of so-called "intermediate income", such as Indonesia, Brazil or India, represent significant markets for the North, even if millions are starving. Some have undergone a relative expansion — nonetheless, the trade balance remains in favour of the centre. Furthermore, the North continues to dominate even in terms of food production — with big grain surpluses in the EEC and the USA. In fact, two thirds of raw materials come from the industrialized countries. Nonetheless, a small number of countries — the South East Asian "dragons" or Brazil — have become more active on the market in manufactured goods.

The countries of the Fourth World (including most of Sub-Saharan Africa) are far less significant from the point of view of the centre, to which they are tied by the debt and the production of cocoa or coffee. Finally, countries without great commercial or industrial importance can take on importance for geo-strategic reasons — this is true of Central America and the Caribbean for the USA. Countries of the South can, furthermore, act as intermediaries in dubious financial operations, which result in capital flowing North (thus the BCCI scandal), or serve as markets for arms sales, without any mechanical relation to their economic weight.

The globalization of the economy at all levels — from information technology to consumption models — is a reality, but it is structured around "centres" and produces extreme inequalities and increasing dependency. In most countries, hard hit by stagnation and crisis, this globalization has a negative impact in terms of income distribution, education, employment, basic social services, relations between the big cities and countryside,

ecological disaster, a stepping up of the exploitation of women and children and so on. In a lesser form the polarization finds its way into the heart of the North itself with the hunger and homelessness of millions in the USA.

These socio-economic effects cannot be separated from the type of global growth which the IMF measures aim to adapt the economies of the South to. They are in no way the product of mainly internal causes, or of "irrational" management before the IMF intervention.

This polarized globalization finds a social and political basis inside the countries of the South. The IMF's structural reform programmes are accepted by the ruling classes of the South. Sometimes they negotiate on details, but when the elites finally decide to adjust, it is because they see benefits for themselves in terms of income and power. Passive adaptation to the commands of the IMF to prioritize exports to the centre rather than growth or effective development¹ is a social option of the elites. They are subordinates, but well-paid subordinates.

A number of economics ministers in the South are former functionaries of the World Bank or the IMF itself. It goes further. Thus, "one of the main advisors to Mr. Carlos Bonilla — Peru's minister of economy and finance — is an IMF official directly paid by this body."² The IMF and World Bank form a "kind of parallel government which is not accountable to civil society."³

This is also the conclusion of Marie-France l'Hériveau and Christian Chavagneux: "the inequality of power inside the IMF is a good symbol of the integration of the global economy into a project defined by a few countries."⁴

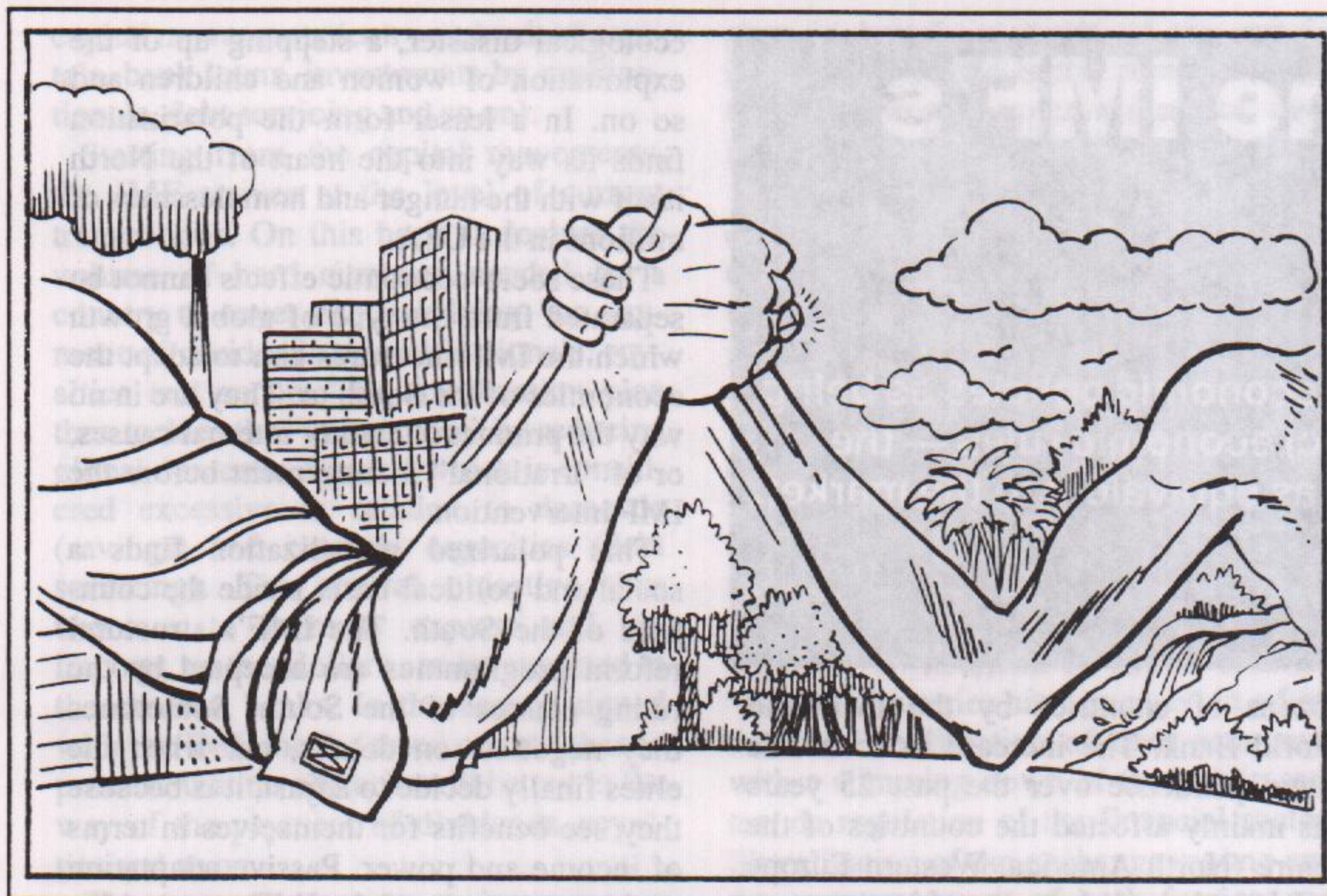
Eric Fottorino, the author of reference works on raw materials⁵, points out "the main thing: the Third World is not the master of its own destiny. It is the big loser from trade, confronted with more powerful competitors who protect access to their own markets in a thousand ways... The Third Worldists of the 1970s talked of 'unequal exchange'. This impoverishment by means of trade continues... If the volume [of coffee] exported has risen by 4%, income has dropped by 22%. The effects of the rules of the liberal game are brutal enough for the rich nations, which see the rise of new poor and other declassified elements "beyond the law"; these rules are hardly suitable for the fragile economies of the Third World. Ten

1. See Samir Amin: "L'Eurocentrisme", Economica, 1988, "La faillite du Développement", l'Harmattan, 1989 and "L'Empire du chaos", l'Harmattan, 1991.

2. Michel Chossudovsky, "Pérou 'ajusté', Péruviens écrasés" in *Le Monde diplomatique*, October 1991, p. 15.

3. Michel Chossudovsky: "Comment éviter la mondialisation de la pauvreté" in *Le Monde diplomatique*, September 1991, pp. 4-5.

4. Marie-France l'Hériveau-Christian Chavagneux: "Le Fonds monétaire international et les pays du tiers monde", PUF, 1991, p. 243.



years after the first structural adjustment programmes of the IMF and World Bank, one can see the extent of the ethnocentrism and indifference to others that has been at work.

"Rather than looking for solutions related to the particular country, with its particular stage of development, its values, its culture, its weaknesses and strengths, the South has been shackled together behind Washington, with human losses which the UN now recognizes."⁶ Fottorino here points up two facets of polarized globalization: on the one side, a "transnationalization" modelled on the North, on the other a polarization (impoverishment by trade) with its inegalitarian logic.

A pertinent question

In a conference on the subject of raw materials Patrice Robineau of UNCTAD asked a pertinent question: "it would be interesting to do a study on the responsibility of the international financial institutions [IMF and World Bank] whose role has been important in creating overcapacity in production for certain types of product; it is rather paradoxical that, while wanting to foster the free play of the market, they have in fact stimulated supply by fostering projects in sectors where medium or long term demand seemed saturated."⁷ Translated, this means that the IMF and World Bank have planned for the medium and long term to perpetuate the process of impoverishment by trade.

To stimulate exports, to pay the debt for example, these institutions create overcapacity in raw material production in the South. This results in a downward pressure on the prices of these products.

Another form of robbery, and one quite as terrifying, follows the same logic. "For several years, developing countries have, in order to keep servicing their debt, had to make an overall transfer of nearly \$40bn a year to the profit of the devel-

oped countries. And there is little hope of seeing this flow reversed."⁸ This is confirmed by the World Bank's *World Debt Tables for 1990-1991*, which show that the transfer from South to North in 1989 for private loans alone was \$30.9bn in 1989.⁹

Meanwhile we find that "from 1986 to 1988 the credit granted by the IMF to developing countries was negative."¹⁰ According to the above-cited *Tables*: "Furthermore, the IMF has tried out overall negative flows in recent years."¹¹ A reading of the *Tables* and the OECD's *Examen annuel du Comité d'Aide au Développement* shows that from 1985 to 1989 transfers to the IMF exceeded \$16bn.

It is conceivable that this flow will be reversed in coming years, but this will not cancel out the effects of the recent past, nor, above all, will it change the financial transfer that the IMF helps to organize.

The World Bank also managed a net transfer of resources in favour of itself. It came out of its last exercise ahead by \$1.2bn, an increase over previous years. If the Bank's special reserves are taken into account, it had more than \$2bn. Thus the World Bank is reimbursed by its debtors and then places the money on the financial markets of the North.

Impoverishment by trade and transfer of scarce resources from the poor to the rich. This is the world which the IMF helps to sustain. ★

5. Eric Fottorino: "Le festin de la terre. L'histoire des matières premières", Lieu Commun, 1988, and "Les années folles des matières premières", Hatier, 1988.

6. *Le Monde*, September 17, 1991.

7. Patrice Robineau: "Les matières premières peuvent-elles encore être un moteur pour le développement?", Centre de Recherche sur le développement, Université de Neuchâtel, April 1991, pp. 13-14.

8. Rapport de la Commission Sud: "Défis au Sud", *Economica*, 1990, pp. 19-20.

9. Op. cit., vol. 1, Analysis and Summary Tables, p. 10.

10. "Défis au Sud", p. 59.

11. Op. cit., p. 10.

The remedies examined

IN THIS article we will examine some of the remedies applied by the IMF and World Bank to indebted countries wanting to borrow. These are the "conditions" which go with an application for credit from the IMF and WB, or approval from these bodies to the banks who are re-negotiating these countries' debts.

CHARLES-ANDRE UDRY

HOWEVER, first it is useful to examine the paternalist criticisms of "Western experts" who make the "corrupt elites" of the Third World the main bearers of responsibility for the current crisis in the dependent countries.

The hierarchical structure of the world economy is reflected on the socio-economic level: the regimes of the South are tied in a thousand ways to the developed countries.

Their top-heavy state apparatuses¹ are inherited from the former colonial power or the new protector power. These states have not been conceived in relation to local needs and resources.

The critics of these regimes overlook an elementary question: what social forces does the North support in the South? A multitude of cases show that Northern support does not go to those attempting to open the way for long-term development based on the needs of the vast majority of the population.

On the contrary, it is those who are seen to be upholding stability and adjustment to Northern needs that get the backing.

And large-scale corruption is unthinkable without its counterpart in the North in profitable contracts (with a little something passing under the table), recycling and capital flight.

The IMF today talks about disarmament, but it remains the case that "the military industries of the developed countries have done all they can to promote the lucrative sale of their material to the South; credit for buying arms has been

among the easiest to obtain, unless you happened to be a liberation movement."²

In the extreme crisis afflicting many countries of the Third or Fourth Worlds, the state acquires a function which is logical from the point of view of its occupants.

According to Samir Amin, the socio-economic debacle "deprives the state of any possibility of basing its legitimacy on any real development or finding a social base for a strategy that would aid such development. Not only do the peasantry, the working class and the marginal population of the cities have nothing to expect, and know it; even the bourgeoisie can see no perspective of significant development.

"This leaves the direct exploitation of power as a source of personal enrichment, or its indirect exploitation through pseudo-private economic activities, whose profitability depends exclusively on relations with the administration."³ The profitability of the latter depends in turn on the connections that the state has with the North.

But let us move on to the liberalization measures proposed in a structural adjustment plan. Schematically, for the IMF, finance is a means for imposing adjustment to the dominant international economic model.

It is not primarily concerned with ensuring the repayment of the debt, even if this is also done with rigour.

Massive devaluation

A massive devaluation of the national currency in relation to strong currencies such as the dollar or the Deutschmark is one of the first remedies prescribed.

A big and sudden devaluation has a recessionary impact, accompanied by other measures (freeing of prices, a wage freeze, budget restraints), produced by the sharp contraction of demand induced by such a package.

According to the IMF, an over-valued currency makes local produce too expensive. This stimulates imports and causes the trade balance to worsen. Furthermore, exporters are not encouraged to invest, since they acquire less of the local currency for the hard currency they earn through exporting.

A devaluation should, therefore, improve the relative prices of export products, thus increase production, while reducing internal demand. Imported products being less expensive (in the local currency) there should be less demand for them.

Conclusion: the only course to take is to completely free exchange rates, with dizzying falls in the value of the local currency compared to that of the strong currencies of the North.

However facts do not bear out this reasoning. The demand for many basic products on the world market is not sensitive

to price fluctuations (and thus does not respond to devaluations).

There are many reasons for this. Demand for some products is saturated, or substitutes are coming into commercial production.

There are large stocks of agricultural products on the market, owing to price support policies pursued in the rich countries — in 1990 OECD countries granted some \$300bn in such support. Owing to the aid, this production — stocks awaiting demand — is partially protected from the fall in world market prices.

Over-production of raw materials

The servicing of the debt also leads to over-production of raw materials, which lowers prices. The 1991 report from UNCTAD (United Nations Conference on Trade and Development) underlines the problem: "The need to service the external debt leads to the introduction of macro-economic measures, in particular devaluation, to encourage exports.

"In most of these ["developing"] countries, the raw materials sector is a lot more ready to respond to export possibilities than manufacturing, even if proof exists that devaluations do not necessarily result in increased export income, and, in some cases, do not even lead to a rise in the volume of exports."⁴

In fact, the dependent countries, by definition, do not dispose of the productive flexibility to respond to price fluctuations in the short or medium term or even to qualitative changes in demand from the consumer countries.

UNCTAD expert Patrice Robineau explains that "very often, good information about the [raw materials] markets is restricted to the consuming countries and trans-national firms, notably the big traders."⁵

Many crops, such as cocoa or coffee, require investments that do not pay off for a number of years. Thus, either there is immense pressure to continue with the production of certain goods — or even increase them in a desperate search for hard currency income — although the dollar price has dropped, or the producers are reluctant to invest, since they cannot be sure if a price rise will be durable. Thus the bringing of new land under culti-

vation is not an easy matter.

Finally, the fragile relation between export crops and food for domestic consumption may be upset — leading to starvation.

The mobilization of resources for export leads to a run-down in basic services (transport, equipment, energy) and this adversely affects the whole economy.

Jean-Pierre Gern, a specialist in development problems, has underlined a crucial problem: "If you devalue to make exports more competitive, this means that in effect the rest of the economy is bearing part of the export costs. If you impoverish the rest of the economy to make exports more competitive, this necessarily makes the impact of exports on the rest of the economy weaker. Being impoverished, it cannot benefit from the extra exports."⁶

The forced devaluations promoted by the IMF imply a growth model based above all on exports or, more exactly, on a certain *structure* and *direction* of exports. These two elements are determined by, among other things, the needs of the "centres" and the search for a trade balance surplus.

From the point of view of imports, these massive devaluations are no great success. First of all, most of the heavily indebted countries are not able to find substitutes for products previously imported, whose prices now rise due to the devaluation.

But it is not possible to do without many of these imports — or at least, the downward pressure has but one limit, death. Here, to paraphrase Keynes⁷, in the short term the poor are dead, as imports (and non-subsidized products) become either more expensive or unavailable.

Surge in imports

Since devaluations are accompanied by measures to free trade (and capital movements) the high incomes of the rich can also lead to a surge in imports. This involves more than just luxury products. These imports give birth to much speculative trade, using up a significant part of the export income.

This has been the case with one of the IMF's "good pupils", Ghana.⁸ Thus there are goods in the shops, but most of the population cannot buy them.⁹

Various studies¹⁰ have shown that it is the rates of exchange (the imperative

1. Jean-Pierre Gern in: "Le développement de l'Afrique confronté aux politiques d'ajustement structurel", Centre de recherche sur le développement, Neuchâtel 1987, p. 173.

2. "Rapport de la Commission Sud: Défis au Sud", Economica, 1990, p. 53.

3. Samir Amin: "L'Empire du chaos", l'Harmattan, 1991, p. 104 and Natalja Nzongola: "Revolution and Counter-Revolution in Africa", Zed Books, London 1988.

4. UNCTAD: "Trade and Development Report", 1991, p. 35.

5. Patrice Robineau: "Les matières premières peuvent-elles encore être un moteur pour le développement?" Centre de Recherche sur le développement, Neuchâtel, April 1991, p. 12.

6. Jean-Pierre Gern in: "Renouveler le tissu socio-économique des pays non-industrialisés qui ont sombré dans la crise de l'ajustement" colloquium of October 1990, Centre de la recherche sur le développement, Neuchâtel, EDES, 1991, p. 102.

7. The noted economist John Maynard Keynes, when asked about the long term, replied "in the long run we are all dead".

8. *Jeune Afrique Economie*, no. 147, September 1991, no. 41.

9. *Financial Times*, September 24, 1991 and *Die Weltwoche*, May 25, 1991.

10. Elsa Assidon and Pierre Jacquemot: "Taux de change et ajustement en Afrique", *Documentation française*, 1989. The study involved 15 African countries.

demand for hard currency for particular economic actors) that form the main influence on imports, rather than the uniform "protectionist barriers" created by across-the-board increases in import prices caused by repeated devaluations.

Massive and uniform devaluations, combined with complete freeing of trade, do not provide the instruments needed to stimulate a diversification of production, which would then have an impact on exports.

Such diversification would need selective import management — and thus a diversified trade and exchange rate regime, giving preference to certain product flows — in order to have a dynamizing effect on the whole economy, including investments.

The IMF's favoured "devaluation-export" schema further increases the dependence of fragile economies on the "centres".

And this via an export sector — raw materials — which has little impact on the whole of the economy and which, indeed, often does not even have a future.

This is not to deny that devaluations may sometimes be useful. But this is not what the IMF's policies are about; that body imposes an endless downgrading of the national currency, total liberalization of trade, and thus the loss of government influence on this key element of economic management — something negatively confirmed by the oft-cited examples of the South-East Asian economies.

Problem of income redistribution

Any consideration of the IMF's devaluation policies must take in the related problem of income redistribution in favour of certain social groups.

In general, a devaluation re-distributes wealth since the holders of hard currency (dollars) — mainly people with links to export trade — can get hold of a larger portion of the global income, by exchanging their hard currency for the devalued local currency.

However, this is not the main thing. All the measures in the IMF/WB model come together to bring about a transfer of resources to the economic and social sector involved in exporting. Thus they favour those social groups that take part in the "opening up" of the economy.

The "distortions" which are to be attacked by the adjustment programmes are considered as obstacles to the improvement of the supreme reference point, exports. This explains the meaning of certain decisions that inevitably flow from making an "accord" with the IMF/WB. Among these are:

- A reduction in the total public sector wage bill (and the elimination of vital state provided services) and wage cuts in the private sector.

This can be achieved directly or indi-

rectly. For example inadequate compensation for inflation can reduce labour costs.

- The reduction and abolition of price subsidies on basic necessities, rises in prices for public services and the lifting of all price controls also effectively cut real wages and reduce demand (and thus imports).

In the majority of countries subjected to IMF/WB programmes food prices rise faster than prices for other types of goods.

Insofar as popular consumption (especially in the cities, but also in the countryside) depends directly or indirectly on imports, the rise in the cost of the latter cuts into living standards.

- High real interest rates — supposed to encourage saving — favour big incomes engaged in speculation at the expense of others. Thus in general there is a re-distribution in favour of profits and to the detriment of wages.

The reallocation of the resources "economized" by price rises, cuts in subsidies and so on, in favour of agricultural exporters, takes place in the form of the lightening of taxation on exports, exemption from paying tax on imports and less taxes on export revenue.

The IMF and WB have been forced to set up social programmes to offset the worst social effects of this structural adjustment, but these are not put into motion before the re-distribution is in full flood, and are completely disconnected from the essential logic of the adjustment programme as a whole — and thus ineffective.

Two points are generally made to support the socially regressive programmes of the IMF/WB.

Firstly there is the supposed neutrality of the measures. The second stresses the advantages accruing to the peasantry from the freeing of prices and the devaluations in comparison to the supposedly privileged cities.

The fable of neutral measures

The idea that the measures are neutral is pure fable. Different economic actors have different possibilities of reacting to an attempt to reduce their income. A wage earner can engage in trade union struggle, if unions are not violently suppressed and are strong enough.

The holder of profits, on the other hand, can convert his money before the devaluation. He can get his capital out of the country using all the channels available in an externally orientated economy.

To stop this happening a control apparatus would be required to prohibit or inhibit precisely that freeing of relations with abroad promoted by the IMF. The pressure on wages, on the other hand, is both demanded by the IMF and can be applied

by the state, assisted by unemployment.

Selective import controls would be necessary to ensure that intermediate goods and equipment were favoured over imports of consumer goods not essential for the majority of the population.

However, the deregulation of foreign trade works in precisely the opposite direction. The process of price raises via devaluation is meant to reduce consumption of imports by the less privileged.

Problems in translating effects

As to the second point, a number of difficulties arise in translating the effects of the devaluations and freeing of prices into benefits for the peasantry.

1. The liberalization of agricultural prices does not lead inevitably to their rise. At the same time a country opens up to imports, for example of foreign-grown cereals.

This puts a downward pressure on food prices — whose rise is important for the majority of the small peasants.

For these latter also to benefit from higher prices, there has to be sufficient effective demand — but this has also been reduced by the cuts in purchasing power effected by the adjustment programme.

2. The structure of ownership of agricultural resources (the land and its products) may lead to an increase in the income of a thin layer of owners to the detriment of the smallholders, and a concentration of these resources.

3. The effects of devaluation in terms of price rises can cancel out the increased income from higher prices for agricultural products.

4. The extra income from higher agricultural prices can be taken by intermediaries or even by the state, without the producers seeing any of it.

Liberalization, furthermore, may destroy state selling outlets, leaving the peasants without outlets.

5. In some cases small peasants have direct access to exporting. However the proportion is very small.

In any case these peasants become totally dependent on the fluctuations on the world market.

Furthermore, they have only very limited possibilities to change their production in response to changes in demand.

The relations between the big traders and these cooperatives work out in the end to the benefit of the former.

6. A rural exodus develops with considerable autonomy from the living standards of the peasants, increasing the urban population. In any case, rural families often depend on urban incomes.

Thus the only allegedly positive effect of the IMF/World Bank's redistribution programmes, referred to all the time in their propaganda, is itself of tenuous reality, in the face of the laws of the free market. ★

The Ivory Coast: a model in crisis

ON the IMF and WB's own figures, the current situation is revealing. At the end of 1990 the Ivory Coast's foreign debt was \$16.5bn, almost three times what it was in 1980. The servicing on this debt is the highest *per capita* in Africa, or 63.8% of export income.³ Between 1980 and 1989 per capita gross national product (GNP) fell each year, with the exception of 1985. For the 1987-1989 period the fall was 20%.⁴ While investments were 18% of GNP in 1980, in 1989 they were 6%.⁵ Industrial production rose by 11.7% per year between 1973 and 1980, but from 1980 to 1987 it fell by 2.4% each year.⁶

From 1981 to 1987, the purchasing power of state employees fell by a fifth.⁷ Poverty has become widespread and inequalities have sharpened. The income of planters of cocoa and coffee — the country's two main cash crops — has fallen by 75% in the past two years.⁸ A third of the workforce is unemployed. Between 1980 and 1984 consumption per inhabitant of meat and fish fell by 20%.⁹ Investment in health and education has fallen by an average of 2.8% per year since 1978 while the population, of which 70% is less than 20 years old, has been growing by some 4.4% per annum.¹⁰

This catastrophe has taken place in a country which "administers, with a docility which is in many respects remarkable, the adjustment programmes prescribed by the providers of funds, in particular the IMF" and where the World Bank has applied what is "doubtless its most thoroughly worked out programme" of all those in operation in Black Africa "with the aim of profoundly changing the domestic economic environment."¹¹

It is now fashionable to indict the corruption and mismanagement of the Third World elites, who have led their countries to bankruptcy.¹² The Ivory Coast's president of 30 years, Félix Houphouët-Boigny, who has had a new capital built in his native village of Yamoussoukro, including a basilica costing an estimated \$280m¹³ inaugurated by the Pope, is certainly a good example. However this same Houphouët-Boigny and his Democratic Party of the Ivory Coast (PDCI), the only one permitted until 1990, are largely products of colonialism, retaining to this day the support of France, the former colonial power. "The main guarantee of the security of the state continues to be a French military base and the frequent joint Franco-Ivorian military manoeuvres."¹⁴ Moreover, the model of economic growth which led up to the crisis which erupted at the end of the 1970s was put in place "just after independence and in the following

THE IVORY COAST is considered a model country by the IMF and World Bank. In the 1960s and 70s it opened up to foreign investments and growth based on agricultural exports. In the 1980s, it willingly applied the IMF and World Bank's stabilization and adjustment programmes.¹ This makes the country a good example of the real effect of the IMF and World Bank's remedies, all the more in that, more than ten years after the signing of the first structural adjustment programme, "the most recent measures announced by the Ivory Coast's authorities are no more than a very detailed repeat of the original programmes."²

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two decades."¹⁵

In the 1960s and 70s, agricultural products made up more than 80% of the Ivory Coast's exports. Despite attempts to diversify, coffee and cocoa, on which some 400,000 farmers and their families depend, have remained the main cash crops (78% of agricultural exports in 1982).¹⁶ The fragility stemming from this dependence on two products became clear when their world market prices began to fall in 1978. The Ivory Coast's economy immediately slumped into cri-

sis.

The trade in these two products is controlled by the Caistab (the Fund for the Stabilization and Support of the Prices of Agricultural Products), another colonial inheritance. Paying the planters a price fixed in advance, it did not transfer all of the increase in cocoa and coffee prices of the 1970s to the basic producers. This was a period therefore of strong growth for the exporters, whose profits margins were guaranteed, and also a build-up of funds in the coffers of the Caistab.¹⁷ On the basis of this income, the state entered upon a vast investment programme (22% of GDP in 1977), involving heavy borrowing, and the long-term foreign debt rose from 26% of GDP 1975 to 55% in 1981.¹⁸

Social polarization

Furthermore, the Ivory Coast has remained marked by the type of social polarization consolidated and remodeled by the colonial power. In 1986, the richest 10% of the population took 36% of income.¹⁹ The rich coffee and cocoa planters, often absentees, form the historic backbone of the Ivory Coast elite. Their control of the state and of the trade in coffee and cocoa were the historical basis of their wealth. On the other hand the poorest 20% had to make do with 5% of the income (this figure from the World Bank under-estimates the reality, as studies have shown).²⁰ Among the most deprived are the immigrant workers, notably the Burkinabés, who provide the extremely poorly paid labour force for the cultivation of coffee and cocoa. These immigrants make up more than a quarter of the country's population.²¹

This social polarization, with its income distribution, its structure of demand (consumption model) and supply (type of investments) tied to the world economy, has had big consequences in terms of economic development.

A portion of investments have been devoted to infrastructures that benefit the

1. John Loxley: "The IMF, the World Bank, and Sub-Saharan Africa: Policies and Politics" in K. J. Havnevik (ed.), "The IMF and the World Bank in Africa", Uppsala, 1987.

2. *Marchés tropicaux*, June, 21, 1991, pp. 1525-1574.

3. "Africa South of the Sahara", London, Europe publications, 1991, pp. 414-434 and *Marchés tropicaux*, op. cit., pp. 1525-1574.

4. Michael Hood, "Economies of Africa", London, 1991, p. 122.

5. *Africa Confidential*, April 22, 1991.

6. *Africa Recovery*, June 1990.

7. Ngha Nguyen Tinh and Harnut Schneider: "L'emploi en période d'ajustement: le cas du secteur moderne en Côte d'Ivoire" in *Revue Tiers Monde*, April-June, 1991, p. 353.

8. *Africa Confidential*, op. cit.

9. Gilles Duruflé: "L'ajustement structurel en Afrique,

Sénégal, Côte d'Ivoire, Madagascar", Paris, Karthala, 1988, p. 121.

10. *Marchés tropicaux*, June 21, 1991.

11. Gilles Duruflé, op. cit., p. 141 and p. 115.

12. See the article "Deux ou trois choses que l'on sait d'elles" by Charlotte Feller-Robert in *Domaine public*, no. 1053, September 26, 1991.

13. *International Herald Tribune*, February 10, 1989.

14. "Africa South of the Sahara", op. cit.

15. G. Duruflé, op. cit., p. 141.

16. Ibid, p. 94.

17. Richard C. Crook: "Politics, the Cocoa Crisis and Administration in Côte d'Ivoire" in *The Journal of Modern African Studies*, June 1990, pp. 649-669.

18. *Marchés tropicaux*, op. cit., p. 1527.

19. World Bank: "Report on world development", Washington, 1990.

20. Ibid.

Ivory Coast elite and their European managers. Such investments have nothing to do with the country's long-term development needs, not to speak of the population's elementary social needs.

The attempts at industrialization through import substitution have foundered on the limitations of the internal market, whose "reinforcement... depends on the... structuring of demand according to income; the more income is concentrated, the less mass consumption exists."²² At the same time, agricultural exports, controlled by foreign firms, have not started off any cumulative process of industrialization; without even mentioning what type of industrialization is appropriate for the country.

The concentration of income has increased the import of consumer goods and favoured capital flight. In the 1970s, up to 7% of GDP was transferred in the form of private income abroad.²³

At the time of the fall in raw material prices, the Ivory Coast was heavily in debt, while its investments had not created a new sector capable of raising the hard currency needed to pay these debts. Thus, the need to have recourse to the IMF and World Bank was effectively written into the development model proposed by the North and adopted by the Ivory Coast elite.

An agreement with the IMF was signed in 1981 and has been routinely prolonged since then. Three structural adjustment loans were agreed with the World Bank in the 1980s and a fourth has been under negotiation since autumn 1989.

Ten years of IMF medicine

Ten years of taking the IMF medicine have led only to "the management of stagnation, whereby, from re-financing to re-financing, austerity grows, the social costs of the adjustment rise, and the country disinvests, progressively undermining its productive and organizational capacity and compromising, through the constant downward pressure on health and education spending, its human capital."²⁴ New lending to the Ivory Coast by commercial banks shows the confidence of these latter in the ability of the IMF's remedies to produce a new cycle of growth.²⁵ These loans fell from \$634m in 1980 to \$22m in 1988 and \$1m in 1989. This is a damning verdict on the IMF/WB programmes.

Why have they failed? To extract the surpluses needed to repay the debt, the IMF and WB have promoted increased exports and austerity measures.

For an initial period, the WB's options (raising of prices for producers, improvement in communications and so on) stimulated coffee and cocoa production. But the market for these products is saturated, not only due to the appearance of new producers (such as Malaysia in the case of cocoa) but also because the same remedies have been applied to other exporting

countries, such as neighbouring Ghana. Furthermore, the Ivory Coast's production of cocoa is so dominant on the world market (with 35% of world production) that growth in production in that country is in itself sufficient to tip the price balance. In 1986 the collapse happened, and since then the country has been in an unprecedented financial crisis. At the explicit demand of the IMF the price paid to coffee and cocoa producers has been drastically lowered.²⁶

The other export crops have not been any substitute — they too are not spared the saturation of markets. Only the wood industry has shown signs of life after a long decline, under the impulse of the World Bank.

This "viable forestry project... may well result in an acceleration of the cutting down of trees and of de-forestation" in a country where the tropical forest, which covered 15 million hectares less than 30 years ago, now covers 1 million hectares.²⁷ Once again we see the gulf that separates the scenarios of the IMF and WB from the reality of their effects.

Industry, which was to be stimulated by freeing of trade, export incentives and privatization, has gone the same way. Public investment has collapsed and can thus no longer play the motor role for private capital it once did.

Given the generalized and lasting deflationary climate, private enterprise is hardly inclined to pick up the baton: "In present conditions, the appeal to the dynamism of private investment (and it is hard to see from where it will come) is at best nothing but a trick to hide public sector disinvestment."²⁸

And can the IMF's supporters find a single example where a country has industrialized without the state playing a leading role? The only beneficiaries of the new conditions have been food multinationals like Nestlé or Unilever, who have been able to extend their operations. But such implants do not act as a motor for the rest of industry; all that happens is that these firms strengthen their grip on the decisive sector of the Ivory Coast economy.

★ Wealthy untouched

It is clear enough that "until now, well-off Ivory Coasters have hardly been affected by the austerity policies". Nor will this change. The new prime minister, A. D. Outtara, a former official for the IMF's Africa department, has rejected any measures to combat capital flight, now estimated at very high levels.²⁹

However these wealthy Ivory Coasters are a tiny minority of the 46% of the population that lives in the cities, of which 2.5 million (23%) live in Abidjan.³⁰ Here income distribution is even more unequal than in the rest of the country — in Abidjan the richest 10% get 42% of income. On the other hand, unemployment strikes

hardest in the cities and price rises have the most brutal effects. Not surprisingly, studies reveal a marked growth in poverty in Abidjan in the 1980s.³¹

At the same time misleading comparisons are made concerning the wages of the Ivory Coast's state employees — for example stating that teachers in the Ivory Coast earn as much as in Spain. In fact in the Ivory Coast every state employee sends significant sums to their community of origin, usually in the countryside. With the drop in their income by 35% between 1980 and 1988, studies have shown that 40% of state employees in Abidjan have obligations to their communities that are higher than their total income.³²

One can understand from this why the announcement in February 1990 of a new round of IMF-imposed austerity measures, involving wage cuts of between 11 and 40% in the state sector, led to the most serious popular protests since independence. Repression followed, but the regime had to retreat and effect a limited political opening.

Ten years after signing its first agreement with the IMF, the Ivory Coast is more than ever strangled by debt. In 1988 and 1989, its overall negative transfers to the World Bank rose to \$298m.³³ The country's dependency has been reinforced.

This is true with respect both to the multinationals who fight for control over the country's cocoa trade³⁴ and to the World Bank itself which "is now intervening directly to remodel according to its lights the direction of the nation's choices in such crucial areas as education, insertion in the international environment, and the role of the state in development."³⁵

Nonetheless, the minimal conditions for the economy to take off again are not being created and indeed, are not among the IMF's objectives.

Such a renaissance would require: the cancelling of the debt and the granting of new credits; an improvement in raw material prices; and the creation of a real internal, national and regional, market which could provide a base for cooperation in production. ★

21. "Africa South of the Sahara", op. cit.

22. G. Duruflé, op. cit., p. 136.

23. Ibid.

24. Ibid.

25. "World Debt Tables", 1990-1991.

26. *Africa Confidential*, op. cit.

27. Lester R. Brown: "L'Etat de la planète, 1991", Paris 1991, p. 286, and *New Scientist*, June 11, 1987.

28. G. Duruflé, op. cit., p. 144.

29. *Africa Confidential* op. cit., and *Financial Times*, October 10, 1990.

30. "Africa South of the Sahara", op. cit.

31. Claudine Vidal: "Quand les petits deviennent des pauvres" in *Politique Africaine*, September 1990, pp. 166-170.

32. Marie-France Jarret and François Régis Mathieu: "Ajustement structurel, croissance et répartition: l'exemple de la Côte d'Ivoire" in *Revue Tiers Monde*, January-March 1991.

33. "World Debt Tables", 1990-1991.

34. *Agefi*, September 17, 1991.

35. G. Duruflé, op. cit., p. 145.

Abortion and reproductive choice in Mexico

ON October 17, 1990, in great secrecy, the deputies of the most "marginalized" state of the Mexican republic, Chiapas, voted for the decriminalization of abortion. When the news finally appeared in the press, more than a month later, it was greeted with general amazement.

ANNE DURIEUX

THE GOVERNOR claimed that he was responding to pro-abortion pressure from a group of feminists in Chiapas, the GAM¹, a claim quickly denied by the latter. While feminist groups throughout the country hailed this "victory" and demanded that all the Mexican states should in their turn decriminalize abortion, the powerful Catholic hierarchy called on the population to demonstrate en masse against this "crime", quickly winning the support of the Mexican branch of the powerful United States-based organization, "Pro-Vida".

On December 31, the deputies suspended the law and asked for an opinion from the National Commission of Human Rights (recently created by the federal governor, and a body which has no powers of decision). This was essentially an exercise in buying time to prepare for the next elections which were to take place in August 1991.

Abortion — a taboo subject

The first feminist reactions to the Chiapas events were rapid, although the different groups are hardly used to dealing with the question of abortion, virtually taboo until now. They rapidly developed a basic strategic conception, "voluntary maternity", which has three basic dimensions:

- the right of women to control their fertility by all necessary means, the right to contraception and to free abortion on demand, the right to a complete sexual education;

- the taking on of responsibility by men in such matters as contraception and paternity;

- the taking on of responsibility by the state; the right to maternity in good health conditions, collective services for mothers and children (crèches, schools, day nurseries, and so on) and an end to discrimination against mothers and pregnant women

in employment.

Their perspective is that of the right of women to choose maternity in a framework of the free disposal of their bodies and their sexuality. The struggle to extend the right to abortion is developing in Chiapas and throughout the whole country.

In the front line, women in Chiapas were the first to establish a regular structure, including the three feminist groups in San Cristobal², as well as trade union and political organizations (like the PRT — Revolutionary Workers Party, Mexican section of the Fourth International — and UGOCEP, a democratic teachers trade union); the Chiapas Front for Voluntary Maternity was set up in February 1991.

At the national level, the feminist structures which existed previously (like the network against violence) were inadequate. The idea of forming a National Front for Voluntary Maternity was put forward from the outside, but it was only belatedly concretized, following the National Forum for Voluntary Maternity at Tuxtla Gutierrez in June 1991.

This delay is explained by the vast size of the country, the difficulties of communication and the chronic lack of resources which the women's groups suffer from. More profoundly, there are undoubtedly tensions between the groups based in the capital and those from the provinces. The women of Mexico City often have a longer feminist experience, and tend to be more academic and more influenced by "international" feminism, which is not necessarily adapted to the realities of rural Mexico. Thus, the slogan of "voluntary maternity" is not always understood by women from the popular sectors, who confuse it with the slogan of Pro-Vida.

Having established adequate structures and an axis of work, women have thrown themselves into activity; this has includ-

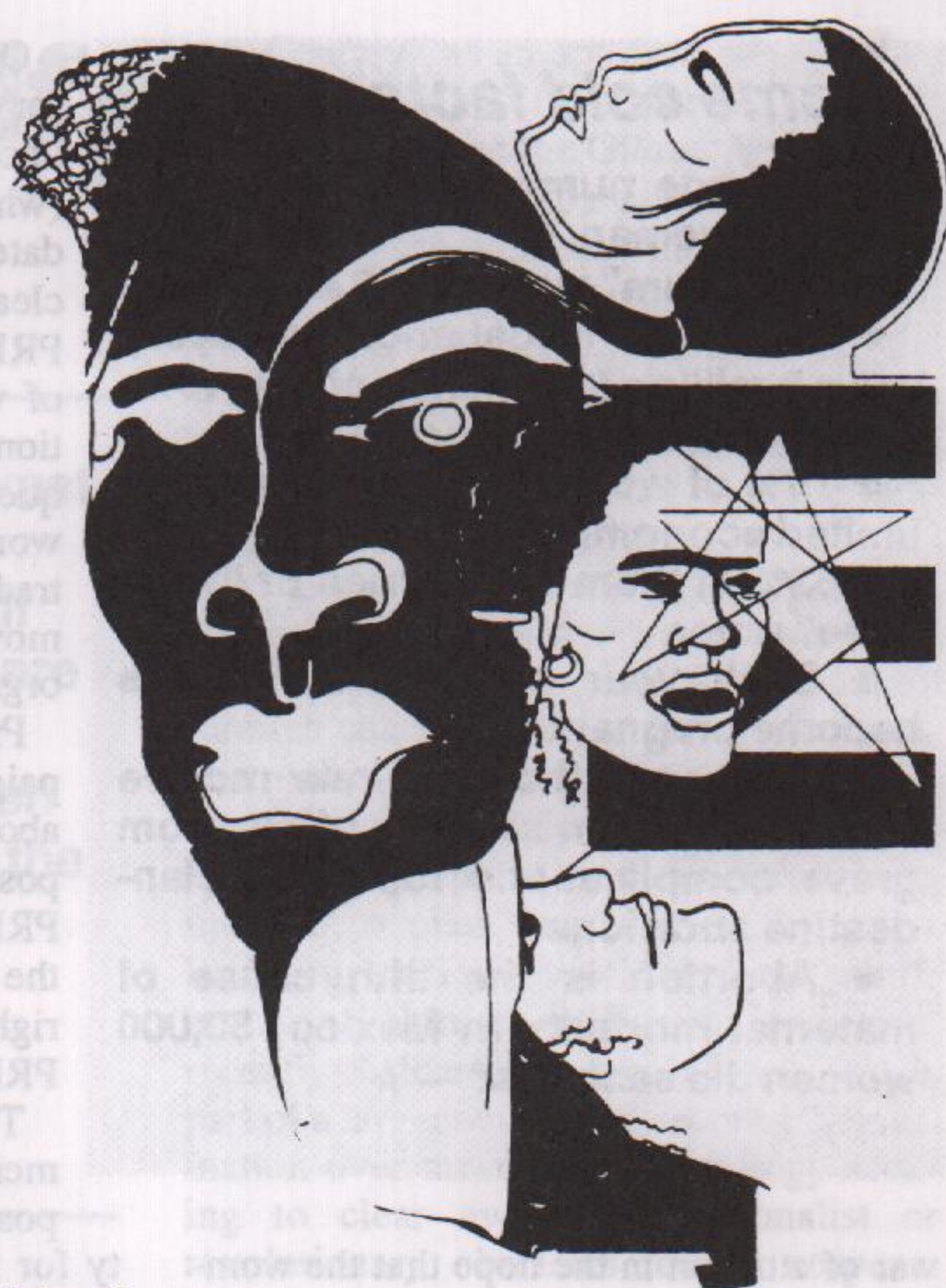
ed the collection of signatures in favour of abortion, demonstrations in the provinces and in the capital (on January 15, a march to the National Commission of Human Rights was organized, on March 8 between five and eight thousand women demonstrated in Mexico City in support of voluntary maternity, from June 19-22 women from all over the country assembled before the national representation of the Chiapan government in Mexico City to demand decriminalization), interviews with the Governor of Chiapas, forums, debates, conferences, press campaigns in the feminist review "Fem" and in the bimonthly feminist supplement "La Doble Jornada" of the daily "La Jornada", and graffiti on the respectable provincial walls of San Cristobal de Las Casas. They have also appealed for international feminist solidarity through a campaign of telegrams.

Frictions between capital and provinces

However, the difficulties are numerous. The frictions, whether benign or more profound, between the feminists of the capital and those in Chiapas are an obstacle to the organization of national meetings. Some groups regret having launched themselves so totally into the battle, consequently neglecting their own work or their consolidation, indeed even imperiling their hard won reputations.

The government of Chiapas has waged a

1. The GAM is a support group for victims of sexual violence. There are two other women's groups, the COMAL Citlalmina, which works in the areas of sexual education and the organization of women, and Antsetik, a university group which researches on women's problems. None of these three groups had ever publicly posed the problem of abortion, considering it still too delicate in such a Catholic country.



Some cold facts:

- * Average number of children per Mexican woman; 6
- * "Minimum" wage; \$200 a month
- * Number of illegal abortions every year; 2 million (1.7 million of the women concerned are Catholic)
- * 76% of women who abort are "of limited economic resources"
- * 63% of them are married or live in "free" union
- * Each year one million minors become pregnant
- * Each year the hospitals receive 780,000 women who suffer from grave complications following clandestine abortions
- * Abortion is the fifth cause of maternal mortality in Mexico; 50,000 women die each year — ★

war of attrition in the hope that the women's movement would run out of steam. The lack of financial resources has not helped. Above all, the feminist groups have not yet had the time to do real in depth work with women from the popular sectors, which would allow them to build up mass support among the people. Furthermore, many are disappointed by the slowness of the process and worried by the violent reaction of the Church and Pro-Vida.

The reaction of the anti-abortionists has been swift and violent. The conservative bishops and archbishops were the first to mount the battlements, in December 1990, calling on the faithful to go out into the street. In January, some doctors associations joined in the fray, to be followed very rapidly by Pro-Vida. Pro-Vida already existed in Mexico, carrying out poster campaigns against abortion. Since the "affair" began, the organization has deployed all its resources, and they have been responsible for the widespread distribution of the famous film, "The Silent Scream".

The situation was complicated with the approach of the legislative and senatorial elections in August 1991. These elections were held to renew the various State assemblies, including that of Chiapas. Members of the Chiapan Front met the Governor to attempt to obtain the assurance that the question would be settled by the deputies before the election. He promised everything, hoping thus to stop abortion and the problems of women from becoming themes of the campaign, something which would enormously embarrass the PRI. Parallel to his meetings with the feminists, the Governor was negotiating with the Catholic hierarchy in an attempt to gain the electoral support of the Church. One way or another, in the end, the question of abortion emerged as a central theme of the electoral campaign.

On the one hand the National Front for Voluntary Maternity gained the unconditional support of the PRT (which ran several feminist candidates, a lesbian and a prostitute, all clearly in favour of abortion) of the PRD (the "left" Cardenist Party, some of whose candidates supported abortion while others sought to avoid the question), as well as a small number of women supporters of the PRI (which traditionally seeks to control women's movements through its women's organizations).

Pro-Vida launched a virulent campaign of denunciation of the pro-abortion parties, involving a massive poster campaign denouncing the PRT, PRD and the PFCRN and supporting the three anti-abortion parties (the far right PAN, and two satellites of the PRI).

This electoral campaign has had the merit of obliging the parties to take a position, and it has been an opportunity for feminists to gain a wider hearing, not only on abortion but on the situation of women more generally and their demands. But this opportunity was not taken to the full, inasmuch as women and feminists are not yet in a position to impose themselves as a coherent social group whose votes could swing the next election, and because no consensus exists, nor even a massive majority of women resolutely in favour of abortion.

A certain number of men support abortion, although rather few overall. Some support it because it allows them to avoid wearing a condom, judged to be incompatible with Mexican virility. Others are supportive because of political consciousness or because they have no desire to have children. The last and most cynical group are those who support abortion out of obedience to the IMF. President Salinas is part of this group — international demographic conferences are convinced that underdevelopment is caused by over population and that the simplest way to reduce the number of poor is to stop them from reproducing. This is probably why, as President and PRI leader, Salinas has launched a trial balloon through the vote of the PRI-dominated assembly in Chiapas for the decriminalization of abortion.

Attempts to lower birth rate

The events in Chiapas are only a continuation of a demographic policy which seeks to drastically lower the rate of growth of the population (from 4 to 1% by the beginning of the third millennium, a condition laid down by the IMF to enable Mexico to compete economically and favour its integration into the single Canada-USA-Mexico market).

This policy began to develop in the 1970s, with the widespread forced sterilization of Indian women, particularly in the highlands of Chiapas. It continued

with the setting up of "Family Planning" policies, the massive distribution of second rate IUDs, often inserted without the consent of the women and in notoriously inadequate hygienic conditions, the injection of contraceptive hormones in massive doses (something which is forbidden in the rich countries), and above all the promotion of the tying up of tubes as the privileged means of contraception, with the minimum of information on the consequences (while this is often practiced without genuine consultation with the woman, it is refused to women who ask for it without written permission from the husband).

In these conditions, feminists are well aware that the right to abortion, if obtained, is no gift. If the PRI should finally decide to impose this measure, it remains to women themselves to transform it into a conquest, a genuinely emancipatory instrument under their control.

The outcome, then, is uncertain. The other major unknown is the current state of the bargaining between the PRI and the Catholic church. The two progressive Mexican archbishops, one of them the archbishop of Chiapas, have clearly come out against abortion, although they favour a more responsible maternity and paternity, less *machismo* and more political, economic and social justice.

Church and state

Moreover, since the visit of John Paul II to Mexico (his itinerary included a trip to Chiapas) relations between the Vatican and Salinas have warmed up dramatically. The past quarrels, the constitutional separation of church and state, the secularism of the Revolution, have all been forgotten.

The debate provoked by the decriminalization of abortion in Chiapas has at least had the merit of bringing into broad daylight the scandalous fact that two million women are transformed into criminals each year, and that many bear the mental and physical scars of this. It has also revived and given new perspectives to Mexican women and feminists, as well as a lot of headaches. It has allowed the different parties to take a clearer position on the question of women and to situate themselves in relation to the patriarchy. Whatever the outcome of the current struggle, Mexican feminists have a lot of work in front of them, faced with *machismo*, the Church, the neo-liberal patriarchy, an economic crisis which deepens constantly and the unbridled imperialism of the Yankee vampire. ★

2. GAM, which has only existed for two years, is in the process of defining itself, and does not wish to involve itself too fully in the "hot" question of abortion.

Antsetik is no longer particularly interested in the question of abortion, whilst in COMAL Citlalmina, which has only existed as a group for one year and is barely consolidated, some lesbians are worried that the question of abortion is taking absolute priority over the others.

The USA after the Gulf war

SQUEEZED between a continuing economic slump and a vast budget deficit that inhibits pro-growth measures, the intoxicating fumes of the United States "victory" in the Gulf war are beginning to disperse. Suddenly, the newspapers are full of speculation about prospects for a successful Democratic challenge to Republican president George Bush in 1992. But as Paul Le Blanc explains in the article below, the crisis of the US system goes deeper than the two pro-capitalist parties can answer.*

PAUL LE BLANC

THE presidencies of Ronald Reagan and George Bush have been described as a period of "conservative-capitalist overdrive" by an influential maverick conservative analyst, Kevin Phillips, in his book *The Politics of Rich and Poor*. He means by this that it has been a period in which the government has tilted in a less democratic and less social reformist direction, adopting policies more overtly favourable to the big business elite. In such a period, higher profits are made by capitalist enterprises, some of which become consolidated and more powerful than ever, and opportunities for becoming rich open up for a narrow layer of capable entrepreneurs and managerial elements. At the same time, he notes, economic imbalances and inequalities grow rapidly, and the great majority of people bear the brunt of the painful excesses of capitalist enrichment.

Phillips has documented impressive similarities between this period and previous capitalist heydays such as the Gilded Age of the late 1870s to mid 1890s or the 1920s. Noting that "the wealth share of the top 1% of Americans had increased from 27% to 36% at the end of the 1980s" Phillips points out that "downward mobility" emerged as a real fear within the US work force, white-collar and blue-collar alike" and that "many families found themselves emptying savings accounts and going into debt, often to meet the soaring price of home ownership or to put a child through college.... For much of Middle America... the Reagan years were troubling and ambiguous as the contrast intensified between proliferating billionaires and the tens of millions of others who were gradually sinking."

Phillips goes on to warn that the immediate future of US politics could well repeat the pattern of the earlier "capitalist

heydays" — the rise of radical-populist and militant working class social protest movements. The first of these, from the mid-1890s through the early 1900s, included the Populist revolt of poor farmers, the emergence of the Socialist Party of Eugene V. Debs and of the revolutionary Industrial Workers of the World (IWW), forcing bourgeois politicians of both the Democratic and Republican parties to become champions of so-called "Progressive" reform.

The red decade

The second period of popular insurgency, the so-called "red decade" of the 1930s, saw the massive unionization drive among industrial workers that challenged the power of the corporatist capitalist elite, sending the Democratic Party of Franklin D. Roosevelt scurrying to implement radical reforms in order to preserve the capitalist system. Phillips anticipates the possibility of a similar leftward political tilt in the foreseeable future.

The US ruling elite is itself divided over how to deal with the problems of the 1990s.

Global economic restructuring has generated a devastating reality for many industrial working class communities. Such developments have posed questions about the industrial strength of the country as a whole and about the economic power of the United States in the world economy — especially with the growing competition from Western Europe and Japan. What is more, the end of the Cold War and the collapse of the USSR appears to make the immense (and expensive) concentration of US military power somewhat superfluous, further undermining the validity of the "Ameri-

can Century" as an apt description of the present. In contrast to the previous capitalist heydays of the the Gilded Age and the 1920s, the late 1980s saw a significant downward movement in the United States' share of the world's industrial economies. The US' portion of the world's Gross National Product fell from about 40% in the 1950s to under 30% in the 1970s, and is projected as being only 25% during the 1990s.

Sectors of the US ruling class, gathered around George Bush, have committed themselves to preserving their position through continuing the policies of imperialist resurgence advanced by Reagan. Seeking to overcome the "Vietnam syndrome", US policy-makers have been inclined to play "hardball" with upstart leaders in the Third World such as Qaddafi in Libya, Noriega in Panama and most recently Saddam Hussein in Iraq. This is part of a larger strategy to secure US domination over these areas, a strategy seeking to clear away any nationalist or revolutionary obstacles to US corporations having access to the Third World's riches, cheap labour and investment opportunities.

Outflanking Europe

The US war in the Persian Gulf was designed in part to use US military power as a lever to shore up declining economic clout, outflanking European and Asian competitors. However, as André Gunder Frank has suggested: "without an adequate economic base, military power is insufficient to keep a great power afloat. On the contrary, the foolish use of its military power may instead sink that [super] power."

Such insights are not the monopoly of leftists — they have also been voiced by worried spokespersons of the loyal bourgeois opposition. To date this loyal opposition has been relatively ineffectual. Much of it is concentrated in the Democratic Party, accurately termed by Phillips as "history's second most enthusiastic capitalist party". Democratic Party liberals and doves can be expected to offer lukewarm resistance, at best, to political, economic and military efforts designed to protect the death squad dictatorship in El Salvador, crush the Sandinistas in Nicaragua and bring down the government in Cuba. And, despite populist demagoguery, the Democrats have no solutions to offer US working people in the face of deteriorating living standards.

The Bush administration was undeniably successful in making short-term gains with the Gulf war, but this has not overcome certain stubborn facts:

● A significant minority of the US pop-

* Paul Le Blanc is a member of the Fourth Internationalist Tendency, an organization in sympathy with the Fourth International in the United States. This article is based on a report he gave to a meeting of the FI's United Secretariat in October 1991.

ulation consciously and actively opposed the Persian Gulf war from beginning to end, vigorously organizing impressive demonstrations and educational activities, and indicating a capacity (had the war lasted longer) of creating and mobilizing an anti-war majority, as occurred during the Vietnam war — and this anti-war force remains as a potentially active element in US society;

- The inequalities, corruption, oppression, class tensions, exploitation and growing social problems that were creating mass discontent in the United States before the Gulf War remain as great as ever, and insurgent forces are continuing to grow among workers and the oppressed;

- The nature of imperialism promises to continue to impact on the peoples of the Third World (and soon on the peoples of Eastern Europe) in a manner that generates anti-imperialist struggle and political radicalism that will provide an ongoing challenge to the "new world order", and therefore generate strains in the present US power structure;

- It is unlikely that the ruling classes of such countries as Japan and Germany will simply accept US hegemony, or that the flexing of US military power will be able to effectively counteract the decline of US economic power;

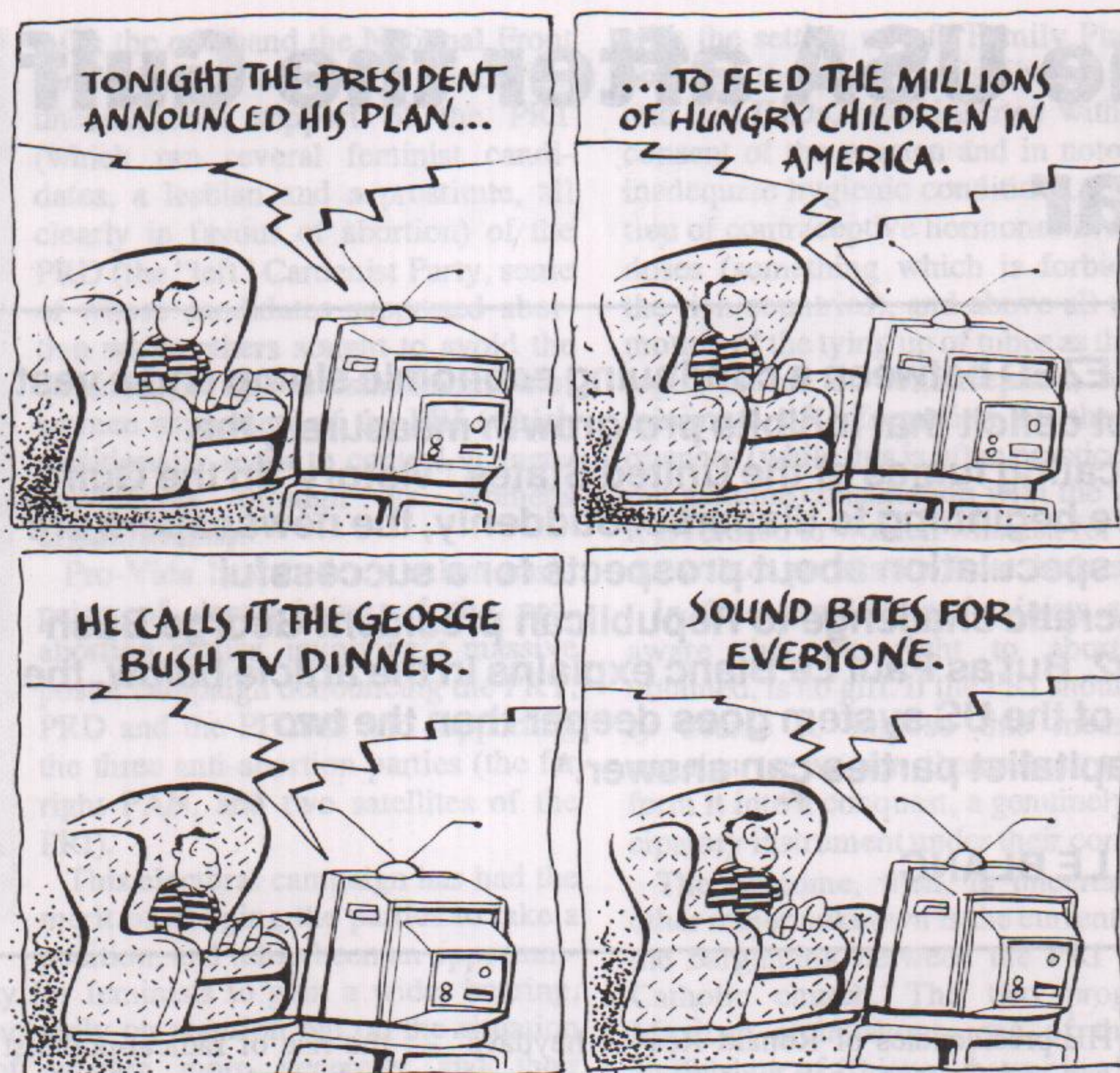
- A protracted world capitalist crisis, manifest in innumerable ways over the past decade (massive unemployment and under-employment, growing debt, declining living standards, the collapse of social programs, even famine) persists and threatens to overwhelm the plans of bourgeois policy makers.

"Collapse of Communism"

One of the salient "victories" for world capitalism appears to be the so-called "collapse of Communism", the disintegration of the Stalinist bureaucratic systems in Eastern Europe and the USSR. But the devastating effects of the reintroduction of capitalism will undoubtedly stimulate (and have already begun to stimulate) a renewal of the kinds of mass protests that brought down bureaucratic tyranny.

The de-stabilizing impact of such developments on the "new world order" may be matched by the impact they have on the consciousness of growing numbers of US working people. Events in eastern Europe and the USSR provide stirring models of people "taking democracy into their own hands", carrying out mass actions against parasitic elites in a manner that some working people in the US may at some point feel inspired to emulate.

The composition of the US working class is changing in important ways. During the 1970s, a total of 38 million industrial jobs were lost to runaway shops, plant shut-downs and cutbacks — though the creation of new jobs meant the net job



loss was only a little more than a million. On the other hand, the newer jobs tend to involve lower-paying employment. It is important to note that in 1989 the number of blue-collar workers was higher than ever — 31.8 million. But the blue collar sector of the workforce now represents 27.1% of the total, a decline from 34.5% in 1950, and the rate of decline is increasing more rapidly than before. The white-collar sector represents just over 50%, about half of which suffers from very low incomes of clerical, sales and service workers. In fact, about 85% of the new jobs created in the 1980s were concentrated in this low-wage white-collar sector. There has been a significant expansion, also, of temporary and part-time jobs, with even lower wages and no benefits. Almost 20% of US employees have no health insurance, and 40% are not covered by any pension plan.

The general decline in working-class living standards has had a profound impact on the consciousness of the class. Younger workers in particular face greater possibilities of unemployment, or at least greatly reduced opportunities than enjoyed by their parents and grandparents. Already, 22% of U.S. children live in poverty, and given today's job market this is certain to increase, since about 40% of all 18 year olds are entering the labour market with only minimal skills.

White males serving as their family's only breadwinner were, as a category, traditionally seen as a privileged layer of the working class, yet their median income fell by 22% between 1976 and 1984. It would be quite difficult, obviously, for a family to survive on such a reduced income. There is often a need in working-class families wishing to avoid poverty to

secure a second income.

More women workers

This is related to another development in the same period — the growing importance of the female sector of the working class, accounting today for about 45% of the labour force. In 1900 only 6% of married women worked for pay; by 1987, 56% of married women were wage or salary workers. According to a September 1991 *New York Times* report, there has also been a growth of child labor, much of it illegal.

At the same time, a majority of the working class is non-white in many parts of the country, as Blacks, Hispanics and Asians (many of them recent immigrants) become an increasing proportion of the workers in both industrial and non-industrial enterprises. This sector of the working class remains the most oppressed of all. For example, almost one-third of all Blacks live in poverty (as opposed to only 11% of whites). When the September *New York Times* report on U.S. labour says that increasing numbers "of full time workers, notably single mothers... earn so little that they qualify for food stamps" available for those living below the poverty line, it should be added that a majority of these are African American. There is also the fact that unemployment rates among Blacks are double those of whites.

The working class does not exclusively, or even primarily, express itself through the trade unions. Less than 15% of all workers are in trade unions, and less than 10% of private sector workers are organized. The often bureaucratized leaderships of the unions and of the social movement organizations rarely demon-

strate a clear sense of working-class consciousness — but elements of them, in order to keep pace with the moods and perspectives of their membership, have recently shown some inclination to move in more militant and socially-conscious (in some cases even class-conscious) directions than previously.

As has been the case from the beginning of our history, one can find within the U.S. working-class a contradictory mix of reactionary and progressive elements. It is not difficult to find racism, super-patriotic chauvinism, sexist bigotry and homophobia, illusions about capitalism and about bourgeois politicians, and so on. Much of the working class is divided against itself, and sectors of it are susceptible — especially as the social contradictions intensify — to right-wing ideology. But now, more than has been the case for decades, there is potential for a massive leftward shift in the American working class.

The weakened state of the U.S. trade union movement is reflected not only in the decline in membership but also in the fact that real wages declined by 8% in the decade of the 1980s, and in some cases by more than 20%. At the same time, there are important stirrings. The independent fight by Austin, Minnesota packing-house workers several years ago was one of the first vigorous fight-backs, although it was defeated. The militancy of the United Mine Workers of America in the Pittston strike of 1989 generated enthusiasm and a spirit of solidarity throughout the working class, and the resulting victory has strengthened class-struggle currents in the labour movement over the past two years. Challenging the conventional wisdom that strikes are an outmoded tool, union members in a variety of local struggles are showing an inclination to use strikes, picket-lines, and also civil disobedience against court injunctions in order to defend their rights.

In the face of the obvious bankruptcy of the bureaucratic conservative “respectability” and class-collaborationism of the AFL-CIO leadership, union members and even some union leaders are turning to a more socially-conscious and radical variant of trade unionism. In some unions dissident caucuses reflecting the new moods are making headway — for example, Teamsters for a Democratic Union, the New Directions Caucus in the United Auto Workers, dissident networks in the railworkers unions around the independent newspaper *Straight Track*, and other militant caucuses such as the one called “Hell on Wheels” among New York City transit union members, and so on.

Black Workers for Justice

Also significant is the positive response of many established unions to the project of Black Workers for Justice, a modest yet militant union organizing project with significant roots in parts of the largely non-

unionized South.

There is growing interest in international labor solidarity, although the positive examples are still extremely modest. The national leaders of some unions have cautiously challenged U.S. foreign policy, and the old CIA-labor ties, in Central America. And most recently, union members have taken action against the so-called “free trade agreement” being advanced by the capitalist governments of Canada, the U.S. and Mexico. These modest developments have significant implications: if working-class internationalism in the U.S. expands from the fringes into the mainstream in the coming period, this could mean an independent foreign policy of the labor movement that could contribute to a growing trend of class independence.

The absence of a coherent and nationwide independent working-class politics is today seen by growing sectors of the trade union movement as a serious deficiency. Significant numbers are indicating support for the kinds of positions being articulated by a leader of the Oil, Chemical and Atomic Workers International Union, Tony Mazzocchi, who said; “the bosses have two parties. We want one.” A number of opinion polls are indicating majority or near-majority support among union members in many areas for independent political activity.

There are other stirrings of independent political action as well. In the African-American community, a high percentage of Blacks have drawn quite radical political conclusions. This was reflected in the political campaigns of Jesse Jackson’s Rainbow Coalition which, despite the fatal contradiction of being bound up in the Democratic Party, created a pole of attraction to the left of all other mainstream politicians of the two capitalist parties. Recently, a former top strategist of the Rainbow Coalition, Ron Daniels, has broken with Jackson over the question of being tied to the Democratic Party.

Mass struggles in defence of abortion rights

The National Organization for Women has recently helped lead mass struggles against reactionary attacks on abortion rights. This organization has also solidarized with other struggles, and took a consistently anti-war stand during the Gulf conflict. A majority of the NOW membership, and a central component of its leadership, have taken a position in favour of a new political party based on a far-reaching political platform of social and economic reform.

Another important factor in US politics today is the existence of a broad-based milieu of left-liberal and radical activists, many of them relatively young and a growing number part of a resurgent wave of politicizing students. These have been to the fore in Central American solidarity,

ERRATA — South Africa and Yugoslavia

TWO errors made their way into the article on South Africa “*Apartheid’s Transitional Programme*” by Peter Blumer, in IV 216.

● On p. 23 at the end of the last paragraph “the 1960s” should read “the 1970s”.

● On p. 24, the first sentence of the third paragraph from the bottom of the middle column (“South Africa exports...”) should read:

“Some 14% of this country’s exports are made up of manufactured products and 70.5% of mining products. Of its imports, on the other hand, 36% are manufactured products and 27% machines and equipment.”

AND two more mistakes were made in the resolution “*Socialist position on Yugoslav Crisis*” which was published on pp. 16-17 of IV 215.

● The first sentence of the second point should read [The Fourth International] “supports a sovereign confederation of multinational states”.

● At the end of the fourth point there should be an additional sentence reading: “Such an intervention would, furthermore, constitute a precedent strengthening the pretension of the European Community institutions to become the supreme judge of the continental order.” ★

the movement against the Gulf War, and the anti-apartheid movement. Such activists have also been in the forefront of struggles to defend abortion rights, a central struggle in the United States at present, as well as anti-racist campaigns and student protests.

In the 1990s there is a real possibility of creating an independent working people’s party, based on sections of the union movement, sections of the Black movement, sections of the women’s movement, and attracting important layers of radical activists, college youth and politicized young workers. There is no guarantee this will happen, but there are clear stirrings leading in this direction. In addition to this, there is a general proletarianization of the population, accompanied by radicalization, deepening working-class consciousness, and political militancy. Regardless of precisely how the different “new party” developments unfold, there are opportunities for building socialist consciousness and a socialist movement of significant proportions over the coming decade. ★

The CIA and asylum rights

AT A TIME when the rights of refugees are under threat throughout Europe, a sinister incident has taken place in The Netherlands. On October 31, 1991, a representative of the Groen Links (the Green Left) in the Dutch parliament called upon the Minister of the Interior to account for the role played by the secret service, the BVD, in relation to political refugees, and the freedom of action accorded to the CIA in the Netherlands.¹

The government is supposed to give legal protection to seekers of exile resident in the country. But it has now been shown that the BVD delivers refugees directly into the hands of the CIA.

PAUL PETITJEAN

NATHAN Quimpo, a member of the National Democratic Front of the Philippines (NDF), was stopped in the street on October 10 of this year by two people introducing themselves in the name of the Dutch Ministry of the Interior. He agreed to speak to them, thinking that it concerned his request for asylum. It transpired that one of the men belonged to the BVD and another to the CIA. The American dominated the interview from start to finish, hoping that Quimpo would turn informer. The latter immediately spoke to his friends, then got in touch with a television team.

Meeting filmed

The second meeting, in the cafeteria of a hotel, was recorded and filmed by the TV crew. The CIA agent offered \$1,000 to Quimpo, promising him as much each month, guaranteed him that he could travel and dangled before him the possibility of obtaining a passport. When the TV crew revealed their presence, he turned to threats, saying "Quimpo, you are finished". The same evening, the affair was made public, during a news broadcast.²

These revelations embarrassed the Dutch government, as much on the legal as the political and moral planes. The Dutch BVD was made to look like a mere transmission belt in the service of Washington. The functionaries of the Ministry of the Interior have handed a refugee, who is supposed to be under their protection, over to the CIA, an enemy organization of the NDF if ever there was one. Nathan Quimpo asked to be given asylum in April 1990. The government has still not granted it, although he fulfils the criteria demanded.

Thus he has been without status for a year and a half, without knowing what his future will be. The secret services are thus using the situation of weakness and uncertainty in which refugees find themselves to exercise pressure against them and manipulate them. Moreover, the CIA agent seemed to be aware of what Quimpo had said in confidence to the Ministry of Justice in support of his application, whereas these proceedings are supposed to be secret.

A series of lies

Obligated to explain herself before parliament, the Minister of the Interior, Ms. Dales, told a series of lies. She claimed that the CIA agent had said he had no powers so far as passports were concerned, whereas the recording of the interview demonstrated the contrary, and that he had not said to Quimpo that he was "finished" but rather that he was "fired".³

She attempted to justify the cooperation of her services with the CIA with the ridiculous claim that the New People's Army (NPA, a guerilla organization which is a part of the NDF) was preparing the assassination of American citizens in Europe, as well as an attack on the Dutch embassy in Manila, and that the National Democratic Front was nothing more than a "terrorist" organization.

The National Democratic Front quickly responded that it was not a terrorist organization but a liberation movement, that the NPA had never in its history carried out a military operation outside of Philippine territory and that it had no reason to attack the Dutch embassy in the Philippines at a time when it has just opened an office in Utrecht, in the Neth-

erlands.⁴

Ms. Dales had to admit that other refugees in the Netherlands had been contacted by the BVD. As a representative of Amnesty International put it, the whole procedure of demanding asylum has been put in question by the Dutch Ministry of the Interior. What refugee will agree to tell the truth about his circumstances if he knows that the secret services will use it against him?

Government fabrication feared

It is also to be feared that the government, in order to extricate itself from this situation, will fabricate a dossier against the representation of the NDF in the Netherlands and will seek to make Nathan Quimpo pay dearly for his integrity. Quimpo's situation is today more precarious than ever.

Arrested in the Philippines under Marcos, he has been tortured. Numerous members of his family have been harassed and one of his brothers has been killed. He attempted in vain to pursue his activities legally after the fall of the dictatorship in 1986. Threatened by the army he had to return to clandestinity, then go into exile. Today there is a price on his head in the Philippines. If he is expelled, he risks immediate arrest, indeed assassination by "vigilante" groups.⁵

Numerous organizations have protested against the policy of the Dutch Ministry of the Interior in relation to refugees. The television chain that revealed the affair has issued a denial of Ms. Dales' declarations on the basis of the documents in its possession. Representatives of three opposition parties, from both left and right, have demanded more information. The affair should then shortly be brought up again in parliament.

As the European Community "harmonizes" its policy in relation to asylum seekers, "the Quimpo affair" creates an important precedent. Political refugees need legal protection! ★

1. BVD; Binnenlandse Veiligheidsdienst (Internal Security Services). CIA; Central Intelligence Agency, the principal secret service of the United States.

2. During the "Achter het Nieuws" ("Behind the news") programme broadcast by the VARA chain, Nederland 2, on October 26, 1991.

3. The Minister of the Interior refused to receive the transcript of the interview that the television chain offered to fax him, preferring to rely exclusively on the statements of the BVD agent.

4. Statements of the NDF dated October 28 and 30 and November 1. In fact it is the Aquino government and the Philippine far right who are putting pressure on the Dutch government to close the NDF office. It is hard to see why the NDF would offer such a pretext for its expulsion from the Netherlands.

5. Nathan Quimpo has never belonged to the NPA or participated in military action. He has been active on the political front, within the framework of the NDF. He is accused by the Philippine army of having written numerous strategic studies under the pen name of Marti Villalobos. He is a member of the editorial board of the magazine *Debate*, published in the Netherlands (see the article on the debates on the Philippine left published in IV 211).