

Labour Focus on **EASTERN EUROPE**

TRADE UNIONS IN EASTERN EUROPE



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**ECONOMIC
DEVELOPMENTS
IN EASTERN EUROPE**

Labour Focus on EASTERN EUROPE

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Russian trade unions: towards neo-corporatism?

by Rick Simon

Discussion of the Soviet working class and its trade unions has taken different lines. In the 1970s, the superficial stability of the Brezhnev era led sociologists David Lane and Felicity O'Dell to assert that Soviet workers were "incorporated" as a class, predominantly through socialisation, and had "little independent class power to resist government action" (1). Socialists in the West, however, maintained a belief in the ability of the Soviet working class to stamp its authority when conditions were right. In the meantime, they championed attempts to establish genuinely independent trade unions while there was a debate as to the attitude to be taken towards the official unions.

The upheavals precipitated by perestroika, and particularly the preparedness of workers to engage in struggle, epitomised by the 1989 miners' strike, seemed to confirm the more optimistic analysis and both socialists and many social scientists changed the focus of their research towards enthusiastic discussion of a developing Soviet workers' movement.

I will argue in this article that, firstly, discussion of a "Soviet" workers' movement, arising independently of the traditional trade union structures à la Solidarity, was schematic and over optimistic prior to the Soviet Union's collapse and that, despite the desirability of the greatest possible unity of workers across national boundaries, the division of the former USSR into the highly unstable Commonwealth of Independent States will only serve to enhance differences which were already apparent prior to December 1991. Instead, the workers' movement, such as it is, is still based overwhelmingly on the old official trade unions, which have undergone a degree of transformation, but which are now split into republican formations. This workers' movement is further restricted by the absence of a political party to advance its interests.

Secondly, from the point of view of the various republican regimes, the old 'social contract' is dead, but, from a worker's point of view, there is still a desire for state action to defend workers against the ravages of inflation and unemployment. Thirdly, the current situation is a chaotic one in which political parties are absent and the only powerful players appear to be the government, trade unions and enterprise managers. This has led to the emergence of tripartite and potentially "neo-corporatist" structures.

The official unions

Following the 1989 miners' strike, it was asserted that the "strike wave demonstrated, yet again, the irrelevance of the official trade unions to the needs of Soviet workers" (2) and that the "unions are seen

as representatives of management and distributors of social benefits" (3). If this is the case, how has it been possible for the old official unions to maintain their domination?

There is no questioning of the official unions' old role. Organised on an industrial basis in the All-Union Central Committee of Trade Unions (VTsSPS), they were traditionally regarded as "transmission belts" with the dual function of assisting management in fulfilling the plan while defending workers against management's infringements of their rights (4). As Ruble pointed out these functions tended to be mutually exclusive - one could not be carried out without compromising the other. There are no prizes for guessing which function tended to be downgraded. Industrial relations within enterprises were also subordinated to collaboration between unions and enterprise management in order to get the best deal for the enterprise vis-à-vis the central authorities.

Not surprisingly, therefore, a number of attempts were made over a long period to establish alternative organisations which could act as genuine trade unions. The most well-known attempt during the pre-perestroika period was Vladimir Klebanov's Free Trade Union Association, founded in 1977, which was subject to swift repression and Klebanov himself was incarcerated in a psychiatric "hospital" (5).

Independent unions

The space opened up by perestroika and glasnost prompted renewed searches for alternatives free of the likelihood of repression. The first organisation to command attention was Sotsprof, the Association of Socialist Trade Unions, founded on an overtly political programme and connected with the movement for the creation of a new Socialist Party as an alternative to the CPSU. Its most well-known activist was the Marxist intellectual, Boris Kagarlitsky. Sotsprof was initially successful in grouping a few small independent trade union organisations under an umbrella. However political divisions emerged along broadly socialist / liberal lines and the leadership was taken over in 1990 by supporters of Boris Yeltsin who promptly changed the name from "Socialist" to "Social" (6).

While Sotsprof was, in a sense, an artificial creation, having no direct relationship to specific workers' struggles which throw up the question of forms of organisation, the 1989 miners' strike was a major catalyst in the development of alternatives to the official unions. A startling fact about the strike was the total lack of any official union support. Instead, ad hoc strike committees took responsibility for running the strike and, in some close-knit mining

communities, for law and order, food provision to strikers' families and other services. After the strike, these committees transformed themselves into workers' committees to oversee the implementation of the agreement - Resolution 608. The negotiations over the latter revealed the true character of the official unions - VTsSPS participated in them on the government's side!

The strike provided the impetus for the formation of the Kuzbass Workers' Union (STK) and the Confederation of Labour (KT) in early 1990. The Confederation of Labour, with the miners' as its backbone, attempted to form a new umbrella alternative to VTsSPS. KT was hailed by sections of the Western Left and other observers as a new Solidarity but it failed to make inroads into the official unions and its influence has waned.

STK developed a more stable infrastructure and has perhaps benefited from its localised character and the dependence of the region on the success of the mining industry. Ironically, the failure of KT can perhaps be ascribed to precisely the same factors which assisted STK. The dominant position within it of the miners (particularly from the Kuzbass), and their preoccupation with their own industry and its concentration in specific areas, militated against the development of an all-Soviet alternative.

The 1989 miners strike

The 1989 strike had two other important outcomes: the schism which it created within the miners' union itself and the impetus which it gave to change within VTsSPS. As with the split in the National Union of Mineworkers in Britain following the year-long miners' strike in 1984-5, unprecedented events can often have unprecedented outcomes. In October 1990, the Union of Coal Industry Workers (PRUP) split, with the formation of a national alternative, the Independent Miners' Union (NPG). PRUP was attacked, not only for its role in the 1989 strike, but also because it organised workers with only an indirect relationship to the actual job of working in a coalmine: kindergarten workers, lecturers in mining institutes, truck drivers, etc.

On the face of it NPG, an apparently authentic trade union, would appear an attractive alternative to PRUP. However, in the Ukraine, for example, NPG only organises around 80,000 workers (almost certainly an exaggerated figure - PRUP claims NPG membership to be 42,000) out of approximately a million employed in the mining industry (7). Moreover, within a few months of its foundation, NPG was racked by a scandal involving its leader, Shushpanov, who was accused of mishandling union funds and abuse of his position. Shushpanov was replaced in August 1991 by Utkin from the Vorkuta coalfield (8).

Reform of official unions

VTsSPS felt the pressure of discontent and initiated changes at its Sixth Plenum in September 1989. Gennady Yanaev (!) became the new General Secretary and resolutions called for support for strike committees and for a "shift of the centre of gravity to the carrying out of defensive functions" and for greater independence from state and economic bodies (9).

At a republican level, new trade union federations emerged from VTsSPS and VTsSPS itself was renamed the General Confederation of Trade Unions

(VKP). As a badge of respectability and an assurance of their bona fide character, the new federations have adopted the adjective "independent" in their new names, the first to appear being the Federation of Independent Russian Trade Unions (FNPR). As the Soviet Union disintegrated into its constituent republics, this process naturally accelerated. Branch unions covering more than one republic also appear to have reformed into international federations. Both miners' unions are now republican based with a co-ordinating centre in Moscow.

In its search both for a role and a stable financial basis, VKP transformed itself into an international trade union confederation to which national federations and branch unions can belong. It presently has affiliates in nine former Soviet republics (although excluding Ukraine) and is seeking affiliations from trade union organisations in Eastern Europe (VKP claims it has been approached by the Romanian unions). In the reverse direction, the Brussels-based International Confederation of Free Trade Unions (ICFTU) is attempting to recruit in the former USSR.

While the coal industry is the most important in which an alternative union has developed, there have been other cases, for example the emergence of the independent union of civil aviation flight controllers. These two unions now form the core of the Confederation of Free Trade Unions (KSP). It is arguable, however, how far KSP represents a viable national alternative federation.

Why official unions survive

The continued dominance of the official unions is not a purely Russian phenomenon. In Ukraine there has been even less independent activity apart from among the miners. In Eastern Europe the same pattern has been repeated: even in Poland, the birthplace of Solidarity, the old official union federation, OPZZ, has a much higher membership than does Solidarity.

To explain this it must be remembered that, for most workers, strike action is very much the exception rather than the rule. Where strikes have occurred, particularly in coal-mining regions, there has been some success in establishing alternatives to the official unions. Most of the time, workers see no alternative to the official unions, which also play a vital role in arranging holidays, sorting out accommodation, providing recreational facilities, etc. The bureaucratic character of the unions is not necessarily a factor producing disquiet because, again, most workers do not participate regularly in union activities. For those that are active, the union can become a vehicle for getting out of boring factory life into a position of power and a reasonable salary.

The reorientation of the official unions to a more traditional trade union stance since 1989 has helped to retain potential splitters. There is now much more public debate within FNPR with opposition to the national leadership coming particularly from the Moscow Federation of Trade Unions (MFP), who have been critical of FNPR's support for Yeltsin. MFP is the most powerful component of the new project for a Party of Labour (PT), once again involving Kagarlitsky, but this organisation aside, the trade unions have been either unwilling or unable to further the development of a political party representing workers' interests (10).

Rank-and-file involvement

The effect of changes in the official unions has,

however, been very questionable. In a survey conducted between January and March 1991, more than 80 per cent of union members didn't know of the existence of VKP or FNPR. A massive 92 per cent thought that, despite the unions' transformation, no improvement would occur in their work. However, 98 per cent expressed no inclination to leave the unions, although it is undoubtedly the case that membership has been haemorrhaging from FNPR.

The influence of the official unions therefore appears to be slowly declining but they still seem capable of mobilising large numbers when they turn to various forms of action. Last spring a claimed 35 million workers took part in activities against the price rises introduced by the Pavlov government. However, the fact of the unions' continued adherence to the old state functions of disbursing social benefits still constitutes a major stumbling block to the formation of genuine trade unions. In Lithuania, the unions have managed to ditch this role and NPG in Ukraine have called for the establishment of special independent funds to pay for the unions' social benefits.

Fragmentation

The fragmentation of the union movement, exacerbated by the emergence of parallel unions in some industries, has led in some instances to the formation of parallel trade union committees at enterprise level. The development of a joint bargaining position has consequently been hindered by inter-union rivalry. In the Ukrainian coal industry, PRUP has negotiated an agreement on wages and conditions with the government. This deal is considered better than nothing by NPG but they are advancing their own demands.

National union federations are also suffering severe financial problems. In response to the increasing regionalisation of power and the deepening economic crisis, many primary union organisations are accumulating large funds at a local level and failing to pass on sufficient resources for the national organisations to carry out their own activities.

Strikes and the official unions

The renewed influence of the official unions can be seen in the statistics for strike action. In the first 7 months of 1989 more than 500 strikes were recorded throughout the Soviet Union. Many of these were at a very localised level involving perhaps only one shop in a factory, and a majority of working days were lost through political strikes in various republics in support of nationalist demands. The trend since then has been towards a decline in strike action. The discontent produced by the liberalisation of prices since the beginning of 1992 has in most cases not yet manifested itself in the form of strikes.

In an analysis of strike data for the first quarter of 1992, the newspaper *Trud* concluded that, compared to the previous year, there had been a significant shift away from strikes in productive sectors of the economy (whose workers had already gained large pay increases) to strikes in non-productive sectors, i.e. the service sector. In the first quarter of 1991, 120 enterprises suffered strike action and lost production amounted to 107 million rubles.

Miners also took action, advancing predominantly political demands, including the resignation of the government. In the first quarter of 1992, only 35 enterprises were affected and losses amounted to only 35 million rubles. More than 90 per cent of



strikes occurred in non-productive sectors, and of the 49,000 who had been on strike, 22,000 had been teachers and 14,000 health service workers (11).

Teachers and health service workers in the Russian republic have continued with industrial action in April and May. The chief demand of medical workers in Moscow was for total state funding of medical institutions in a situation where "the majority of the city's inhabitants can not pay for medical services". Other demands were mainly economic (although political in the sense that they demanded action from the government and a reorientation of priorities): a 500 per cent increase in wages although a 180 per cent rise had already been agreed in a Presidential decree but not implemented; the abolition of 28 per cent value-added tax on basic goods; and additional payments for working in unsafe conditions (12).

Rising prices and unemployment

Rising prices have also created a source of conflict between unions and different groups of workers contributing to the fragmentation of the workers' movement. In the Donbass, the miners, who have successfully negotiated a large pay increase, are accused by workers on much lower levels of income of fuelling inflation in the region, which is much higher than in other parts of Ukraine.

Throughout the former Soviet Union, increasing differentials between groups of workers and an inability to cope on wages rapidly being rendered worthless have produced a chain reaction of industrial action albeit on a comparatively small scale.

FNPR (the Russian federation) has sought to present itself as a "responsible" element in a chaotic situation. In response to a projected fall in production by the end of 1992 of 25-30 per cent, which would lead to 25 million being made unemployed, FNPR has proposed an investment programme to maintain production, with priority being given to the energy sector, agriculture, food, medical and consumer goods. Value-added tax would be staggered depending on social need and prices on oil, gas and coal would be controlled by the state (13).

In a speech to the Sixth Congress of People's Deputies of the Russian Federation in April, FNPR President Igor Klochkov asserted that the main problem of reform was the continued existence of monopolies, and that privatisation should be accelerated while "taking into account the interests of the labour collectives". He further argued that, in the main, Yeltsin's programme coincided with that of the trade unions, that the unions were "opposed to exacerbating the political and class struggle" and the unions could become a "powerful force for consolidation" (14). FNPR leaders have insisted that they do not disagree with the strategic thrust of Yeltsin's programme, only with specific details (15).

From social contract...

During the 1970s, a sizeable literature developed concerning the notion of an implicit "social contract" in Soviet-type societies. The essence of this contract was that, in return for its monopolisation of political power, the regime guaranteed certain benefits to workers. Among these were full employment, low stable prices on basic needs including accommodation and food, free social services such as health and education and a gradually improving standard of living.

A consequence of this "contract" was that manual workers, particularly those concentrated in big plants, were generally better off than white-collar workers or intellectuals. However, this contract was unevenly applied even within the working class. Thus, miners received generally high wages but other facilities and basic amenities were conspicuous by their absence from mining areas. The existence of a social contract has aroused much debate but it seems certain that expectations were raised among Soviet workers as to what they could and should expect the regime to deliver.

Gorbachev attempted to change the terms of this contract but his reform programme inevitably undermined the benefits workers had previously gained. Consequently, major elements of the programme could not be implemented because of the opposition they aroused (16). The political offensive of the liberals throughout 1991 and particularly after the failed August coup and the shift from reforming the old system to replacing it with a capitalist market economy implied that the "social contract" would itself be replaced by the bargaining between groups associated with Western societies.

...to the market

The move to a market economy has, however, challenged all of the basic benefits of the social contract much more vigorously than did perestroika, while only promising the full shops and advantages of Western capitalism at some time in the future.



There has thus developed a sort of social schizophrenia in which people are willing to give Yeltsin and Kravchuk some time to overcome the economic crisis and introduce a market economy while wishing to preserve the benefits of the former regime.

The disappearance of the social contract leaves a conceptual vacuum as to the nature of relations between regime and working class. In the early 1980s, the popularity of the concept of "corporatism" was such that some Western analysts decided that, at least in its state corporatist as opposed to liberal or neo-corporatist variety, it was applicable to some degree to the Soviet Union (17).

Corporatism

"Corporatism" gives a sense of negotiation between different interests rather than simple imposition but it could be argued that the two concepts of "corporatism" and "social contract" operated at different levels. The social contract established general norms applicable to the entire working class, but interest articulation via the trade unions at the level of the state fine-tuned the contract and brought potential problems to the attention of the regime.

The difference between the role of the state as the guarantor of the social contract and the role of the trade unions can be seen in the practical distinction made by workers on the rare occasions when they engaged in large-scale action. In Novochoerkassk in 1962, and in the 1989 miners' strike, workers, faced with fundamental revision of contract norms, bypassed their union organisations and addressed their demands directly to the regime.

We are now faced with a decidedly different situation in which an appropriate framework for analysis of state-society relations is difficult to determine. Nevertheless, there are certain features which need to be looked at carefully. Firstly, the trade unions no longer have the compulsory character of the Soviet period. While the degree to which the unions have changed their structure, become more democratic etc, is still open to debate, they are no longer tied to the party-state apparatus and their ability to articulate the views of their membership has been enhanced.

Trade union organisations can now be formed comparatively easily although the extent to which new ones can have access to premises and equipment previously given by the state to the old official unions is again questionable and a source of much conflict within the trade union movement. Despite this, the official unions have not lost their monopoly character at the level of most branch industries and, at a national level, the republican trade union federations which emerged from the break-up of VTSPS are still dominant.

Trilateral commission

Differences between republics are beginning to emerge in how the state deals with the trade unions. In Russia, a trilateral commission was established at the end of last year through which negotiations over wages and conditions are increasingly being conducted. Apart from the government and unions the other vital component of the three-way negotiation has been the recently formed Russian Union of Industrialists and Entrepreneurs representing enterprise managers which is headed by Arkady Volsky.

The work of this commission has resulted in the signing in March of a General

Agreement by all parties including official and unofficial trade unions. The Agreement commits the government to introducing "a socially oriented market economy" while ensuring the provision of social guarantees, including a minimum wage against which other social benefits, such as pensions and grants, will be measured (18).

The political model for this commission has been explicitly derived, however, from Western models of "social partnership" - among its architects are leading members of the Russian Social Democratic Party. Tripartism is not, however, the same thing as corporatism. Corporatism involves the establishment of more entrenched mechanisms, the ability of all parties to police the implementation of decisions reached, and some mutual recognition of the demands of each side.

It is debatable whether the Russian government sees the trilateral commission in this way or as simply a vehicle for pulling the trade unions in behind the government's economic programme. In the recent trilateral discussions, FNPR were extremely put out by the Government's insistence that Sotsprof take three of the 14 trade union places - a move condemned by FNPR as an attempt to pack the discussions with people who would vote uncritically for the Government's reform package.

Neo-corporatism questionable

It would therefore be premature to speak of the emergence of neo-corporatist arrangements in Russia. Neo-corporatism was in essence a mechanism employed by social-democratic governments with a unified trade union movement and employers' organisation in conditions of economic prosperity - not a situation highly reminiscent of contemporary Russia.

The future establishment of such arrangements depends on a number of factors, not least of which is the legitimacy and stability of the representatives of different interests. The Yeltsin government enjoys the confidence of less than a third of the population according to a recent survey (19) and the emergence of a lobby representing enterprise management appears to have put a brake on the introduction of a market economy. FNPR still enjoys a dominant role but any future failure to support workers' demands, as happened with the miners, could lead to further fragmentation.

However, while the means of production remain predominantly in the hands of the state, but groups representing large economic interests have developed an autonomy from the state, it is reasonable to assume that tripartite arrangements could become a useful mechanism for controlling dissent during a difficult transition.

Footnotes

- (1) David Lane & Felicity O'Dell, *The Soviet industrial worker: social class, education and control*, Oxford, 1978, p.41.
- (2) Elizabeth Teague, "Embryos of People's Power" Radio Liberty Report on the USSR, RL357/89, 11 August 1989, p.1.
- (3) David Mandel, "The rebirth of the Soviet labor movement: the coalminers' strike of July 1989", *Politics and Society*, 18(3) 1990, pp.381-404
- (4) see Blair Ruble, *Soviet Trade Unions: Their Development in the 1970s*, Cambridge, 1981.
- (5) Details of this case can be found in Viktor Haynes and Olga Semyonova, *Workers against the Gulag: The New Opposition in the Soviet Union*, London, 1979,

The U.S.S.R. is no more. But the workers are still there. Is there a labor movement in the ex-Soviet Union? What are the workers doing? Is there a fight against Yeltsin's economic program? Who is fighting back? What are they saying and doing?

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pp.16-72 and *Labour Focus on Eastern Europe* Vol.2 Nos.1-3, (1978).

(6) See my interview with Kagarlitsky in *Catalyst* Winter 1990.

(7) In *Zhenernaya Gazeta* No.45, 1992.

(8) *Nezavisimaya gazeta* 3 August 1991

(9) A. Krest'yaninov, "Nabor vysoty", *Sovetskie prof-soyuzy* No.1, 1992, p.28

(10) See the material on the Party of Labour in *Labour Focus on Eastern Europe* 41 (1/1992).

(11) *Trud*, 25 April 1992.

(12) *Nezavisimaya gazeta*, 28 April 1992.

(13) *Trud*, 4 April 1992

(14) *Trud*, 10 April 1992

(15) See the FNPR Declaration on page 8.

(16) See Peter Hauslohner, "Gorbachev's social contract", *Soviet Economy* 3(1), 1987, pp.54-89 and Linda J. Cook, "Brezhnev's 'social contract' and Gorbachev's reforms", *Soviet Studies* 44(1), 1992, pp.37-56

(17) see Valerie Bunce, "The Political Economy of the Brezhnev Era: The Rise and Fall of Corporatism", *British Journal of Political Science* 13, 1983, pp.129-58; Valerie Bunce and John M. Echols III, "Soviet Politics in the Brezhnev Era: Pluralism or Corporatism", in Donald R. Kelley ed. *Soviet Politics in the Brezhnev Era*, New York, 1980, pp.1-26 and Blair Ruble, "The applicability of corporatist models to the study of Soviet politics, the case of the trade unions", *Carl Beck Papers in Russian and East European Studies* No.303, Pittsburgh PA, 1983.

(18) Elizabeth Teague, "Russian Government seeks Social Partnership", RFE/RL Research Report Vol.1 No.25, 19 June 1992.

(19) *Nezavisimaya gazeta*, 30 April 1992.

RUSSIA

Trade Union Declaration

The following Declaration by the Federation of Independent Russian Trade Unions was first published in Rabochaya Tribuna on 3 April 1992. It is translated by Rick Simon.

Declaration of a socio-economic policy to overcome the collapse of production and the impoverishment of the people. Proposed by the Federation of Independent Russian Trade Unions (FNPR)

1. The aim of the alternative proposals:

The basic aim of the proposed measures is, firstly, to overcome the catastrophic fall in production, stimulate the revival of the economy through a structural reorganisation (perestroika) and, secondly, to guarantee the necessary social protection of the people during the transition to the market.

The fall in production represents a very serious danger. The government memorandum on the Russian Federation's economic policy also speaks of 'the maximum possible action to counter the fall in production'. However, an analysis of this programme shows that, in reality, the prescribed measures will not bring about a reversal of the negative tendencies.

As regards social protection, this has a purely declaratory nature. On a number of positions the social section [of the government's memorandum] contravenes both international norms and Russian laws adopted earlier. In essence, the proposals of the trade unions are different in principle from the government's programme both in their aims and in the means of achieving them.

Fall in production

2. Do not allow the catastrophic fall in production. Disturbing reports are coming from large and small enterprises in various branches of the economy. For the first time in more than two hundred years, production stopped at the Klyazminsk iron foundry in Kovrov. Many textile machines in factories in Ivanovo have been idled. The production of vans in Cheboksary has halted. Hundreds of enterprises are working at half capacity and others are on the brink of stopping altogether.

The government notes as a positive fact that the fall in production was coming to a halt in the first quarter. Last year it was 15 per cent, at the beginning of this it was 13.5 per cent. It's not just that the scale of this fall is in itself very significant, but that this

most optimistic conclusion about the declining rate of fall produces major doubts. Even government experts forecast a fall in production by the end of the year of 20-30 per cent, and some members of the government are assuming a 50 per cent drop.

It doesn't need explaining that the fewer goods we produce, the worse is our standard of living. But this is only one side of the problem. The other side is the fact that falling production and the closure of workshops and factories leads to mass unemployment. According to official forecasts the army of unemployed could grow to between 6 and 10 million by the end of the year. If the tendencies towards a slump in production are exacerbated then, according to expert assessments, the number of unemployed could rise to 25 million. Decisive measures must be taken to overcome the catastrophic slump in production. And primarily economic rather than administrative levers must be employed: credit, fiscal, price and foreign economic policies and other measures.

The biggest mistake in the credit policy currently being implemented is to ignore the interests of the development of production and essential structural changes in the economy. The banks have transferred exclusively to short-term credit at unbelievable interest rates.

For this reason, therefore, the trade unions propose that enterprises in the fuel and energy complex, agriculture, food industry, and those producing consumer goods, medicines and building materials be ensured priority in receiving credit (including on preferential terms). Losses suffered by banks in connection with this should be covered through budgetary means. The investment of resources in production must be promoted and encouraged through structural changes.

Urgent measures must be taken to increase solvency and to accelerate the payment of enterprises within the economy. For this they must be provided with additional working resources. The government considers a strict fiscal policy to be essential. This means primarily an excessive federal and municipal tax burden which is stifling productive activity and enterprise. This is all being implemented irrespective of whether an enterprise is producing mass consumer goods or production for which there is no demand, or whether production is expanding or contracting.

Different approach

The trade unions propose a completely different approach: to stimulate by all possible means those who are genuinely increasing the output of goods and not through price increases, those who are putting resources into investment, expansion and renovation of production needed by people, those who are re-establishing economic links, those concerned with small businesses in the sphere of production. This could be achieved to a large extent by the introduction of tax concessions.

Here are some of the measures proposed by the trade unions:

1. Lower the basic tax rate on profits, and also value added tax for priority lines (the fuel and energy complex, agriculture, food industry, and those producing consumer goods, medicines and building materials;
2. Establish that the overall sum of taxes and

deductions (including those levied by local authorities) should not exceed 35 per cent of net profit;

3. Remove all limitations on advantages connected with investment in the priority lines of development; widen the circle of enterprises receiving such advantages;

4. Free enterprises completely in priority lines of development from paying tax on profit gained through increasing the physical output of production in comparison with the baseline period.

However, credits and tax concessions can not help slow down the fall in production if enterprise expenditure is excessive. Today many enterprises are on the verge of bankruptcy as a result of repeated price increases. This process might become an avalanche after the government's proposed freeing of prices on energy.

So that this does not take place, the trade unions consider extremely essential the regulation for the immediate future of prices on oil, coal, gas, etc. Together with this the irresponsible export of energy abroad at the expense of our own economy must not be permitted.

Agriculture

3. The countryside needs emergency aid

The trade unions support government policy in this very important sphere. However, it must be stated that the countryside has essentially been left to the mercy of fate. Even those progressive decisions taken by parliament have not been implemented or are being carried with great delay. And the trade unions see in this a grave danger for the implementation of agrarian reform. It is typical that no place can be found for the problems of the countryside in the government's memorandum.

On the countryside depends whether there will be hunger this autumn and winter or not. The situation in agriculture today is catastrophic. The spring sowing is threatened with disruption. There is not enough petrol or diesel fuel. A large number of tractors and other pieces of agricultural machinery are out of order. Repair is beyond the pockets of many farmers because of the high cost of spare parts. The peasants may respond to this by decreasing the sown area.

In the critical situation that has developed in the opinion of the trade unions: a package of emergency measures is required - both economic and administrative. These are preferential tax and credit arrangements for enterprises in the agro-industrial complex and farming, and also direct budget subsidies with the obligation to sell agricultural produce to the state reserve fund. Among the administrative measures permissible in today's exceptional conditions are centralised distribution of diesel fuel and petrol, assistance in maintaining the seed fund, equipment and spare parts, and the utilisation of military personnel.

Impoverishment

4. Privileges are unavoidable but they must not be excessive.

The impoverishment of the basic mass of the population has reached a dangerous level. Tens of millions of people are living not simply on the verge of poverty but in utter destitution. Demand for goods and services is constantly falling. According to the results of surveys conducted in March by the Institute of Socio-Economic Research of the Russian Academy of Science, 3.8 per cent of those questioned

acknowledged that they would have to go hungry at some time.

The government asserts that in February a turning-point was reached in these negative tendencies and real incomes began to grow. The picture in this case is somewhat different from that presented by the government. According to data collected by the Russian State Committee for Statistics, the average monthly wage for workers and employees in February (1,994 rubles) rose in comparison with January (1,470 rubles) by 36 per cent, but prices increased according to data from the same Committee by 38 per cent. Which increase in real incomes are we talking about? According to forecasts, in the next few months we can expect not an increase but a fresh drop in real income, especially after the freeing of prices on energy. It should also be pointed out that, in the year prior to this, workers underwent a serious trial: according to independent experts, prices rose by 11 times while wages only increased 4.5 times.

One more piece of evidence of the contempt for the interests of the people are the proposals for the further limitation of wage increases in state enterprises, which today employ around 80 per cent of workers.

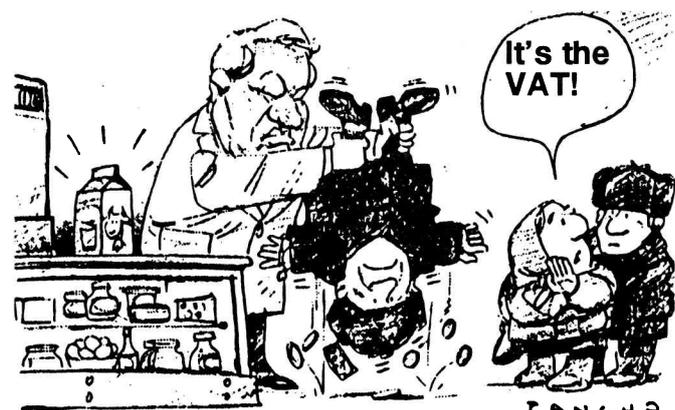
The trade unions consider that policy in the realm of income must take a totally different direction: an orientation towards preventing the further devaluation of the main motor of society's development: labour power.

Measures must be taken to close the gap between the minimum level of income and a living wage, the calculation of which must include not only a beggarly food ration, essential purely for survival, but also modest expenditure without which it is virtually impossible to manage. Such a living wage must constitute the basis of calculations of the lower limit of social guarantees. Use in such calculations of the physiological minimum is impermissible. Already since the second quarter of this year a minimum wage of not less than 1,000 rubles per month must be introduced in all regions of Russia.

Indexation

The statistical agencies must ensure an objective calculation of the prices and incomes index and the publication of these data not less than once a month in official sources of information. In the event that the price increase is greater than 25 per cent, the level of the minimum wage must be reviewed...

In the conditions of the impoverishment of the basic mass of the population value added tax must be removed from basic foodstuffs (bread, flour, milk,



dairy produce, vegetable oil) and medicine. Value added tax must be reduced on meat, poultry, pasta, animal fat, sugar, and essential consumer goods, newspapers, and public transport.

A quite intolerable situation has arisen with the payment of wages. The cause is the shortage of ready money. This might appear a purely technical reason and the government has insisted that the problem will soon be resolved. However, 500 and 1,000 rouble notes have been issued and the situation is getting worse. The government prides itself on the fact that money is increasingly in short supply but financial problems cannot be solved by illegally withholding money from workers.

The trade unions demand that an investigation be held into every instance of such a breach of labour legislation and the guilty parties brought to book.

Social protection

The trade unions have serious disagreements with the government's programme and approach to the system of social protection. The official memorandum speaks of directed assistance for the most vulnerable groups of the population. It would be quite possible to agree with this. But the trouble is that this principle is only proclaimed and neither a mechanism for its implementation nor concrete amounts of assistance are mentioned. To make up for it the government document elaborates measures in detail which squeeze people's interests. These affect the unemployed in particular. The government intends to curtail their benefit in contravention of Russian laws and international norms.

The trade unions consider it obligatory that not only the measures envisaged by law for providing assistance to the unemployed are implemented completely, but that a system of indexation of benefits should be instituted, i.e. they should automatically increase in line with rising prices.

A Russian Federation law on pensions should also be introduced in full measure. In this way justice can be restored in pension provision: the level of pension will depend on a person's contribution during their working years. As with wages, delays in the payment of pensions are quite impermissible. These days these are not just isolated instances.

The government's intention to privatise the state pension system seems ill thought-out. The trade unions are in favour of the development of private pension funds but as an addition to the state system.

The memorandum passes over in silence the question of how medicine, education, culture and science will survive. Rising costs and the insufficient allocation of budget resources are serious blows at the institutions in these sectors. The trade unions consider it essential that a mechanism be introduced to compensate for the growth of expenditure in the social sphere, including paying for the workers employed in it.

Privatisation

5. Who will be master of the factory?

The success of the reforms depends to a decisive degree on how quickly the process of privatisation (*razgosudarstveniyeniye*) takes place. The trade unions have no disagreement with the government over this strategic goal. The principal difference is in the tactic of carrying out privatisation.

The government is attempting to limit the rights of the labour collectives within strict boundaries in this major process. The opening of personal privatisation

accounts for all citizens of Russia is also being dragged out.

If the tempo of privatisation is maintained at the present level then the projected plans will not be realised for decades. How can things be speeded up? First of all it is necessary to determine precisely how much property will be transferred to the labour collectives (free of charge and on preferential terms), how much will be entered in citizens' privatisation accounts and, finally, how much will be directed for open sale.

The trade unions consider that in the current situation the conditions must be created for collectives who have shown initiative on privatisation to purchase property directly. Apart from this, the procedure for conducting competitions and auctions must be changed by extending advantages and privileges to the labour collectives. The right to choose the form of ownership, to the creation of closed joint-stock companies, to acquire a controlling interest must be granted. It would be expedient to allow the purchase of ordinary shares payable in instalments over five years. In this case no less than 10 per cent of ordinary shares should be transferred to the labour collectives free of charge...

It is important that not only labour collectives are involved in the privatisation process but the whole population. In order to do this more favourable economic and organisational conditions must be created for the investment of the population's resources in fixed assets, including the purchase of enterprise shares. Citizens must be given a real opportunity to obtain loans to buy property. House building and also the construction of summer houses and other structures must be freed from property tax for a period of five years.

A difficult choice

The measures put forward in this Declaration directed at stimulating production, at averting its sharp decline and at strengthening the social protection of the population will inevitably lead to the curtailment of budget income, will require large additional expenditure and will consequently cause an increase in the budget deficit.

The financial recovery of the rouble will slow down. This is a hard road both for society and the economy. It must be said directly and candidly that the danger will arise of hyperinflation. A delicate skill is required when implementing the reforms to walk the narrow beam across the ravine.

But today we no longer have any nice ways out of the crisis left. A choice must be made between the bad and the very bad. And the government's programme is one such very bad variant. The precipitous slump in production and the slippage of most people beyond the line of survival will not lead to the achievement of the aims promoted by the government, but to the collapse of the economy, a social catastrophe.

The alternative variant worked out by the trade unions proposes a softer, more elastic, adaptation of the economy to the new conditions. Stimulating production will permit not only the slump to be halted, but also a revival in economic activity which will subsequently bring in new income to the budget, giving it and consequently the rouble strength. In the last analysis, although with enormous difficulties, the proposed path will lead us out of the dead-end and not to destruction.

March 1992

A new role for the Russian trade unions

by Andrei Isayev

*Andrei Isayev is editor-in-chief of **Solidarnost**, the weekly paper of the Moscow Federation of Trade Unions. He was also one of the founding members of the Party of Labour. The following article first appeared in **Solidarnost** 6/92 and 7/92. The translation is by LFEE.*

The present situation

Reports of the death of the Russian trade unions have been exaggerated. Trade union activists need to take a second look. The apocalypse has been postponed. Or, if the threat is still there, it is there for everyone and not just for trade unionists. We need to take a sober look at our situation and see what real possibilities still exist.

The state and party have collapsed and the army is demoralised but the trade unions still have a unified organisational structure. It is a structure which still exists throughout every section of the still state-dominated national economy and is supported by a potentially strong membership base. It possesses an apparatus with horizontal as well as vertical links, is connected with trade unions in other countries and has at its disposal a significant basis of material and financial support. It is an organisational structure which, for better or for worse, carries out a number of important social functions (social security, material support, etc). There is every reason to believe that the destruction of the trade union organisation would have a profound effect on the whole of society and would burden the government with a whole series of unwelcome and expensive obligations.

We have an organisation which, in a peculiar way, combines bureaucracy (in the sense of mode of behaviour of the apparatus) with complete financial autonomy of the rank-and-file organisations (a product of the "democratisation" of recent years). This makes it difficult to mobilise the resources necessary to create a new apparatus that corresponds more closely to the needs of present-day society. We also have a very bad image as an extension of the CPSU, as an allocator of holiday resorts and other perks to leading personnel and friends of management. We have no presence whatever in the mass media and have failed not only to develop our own press but also to learn how to deal with foreign media.

But what we have developed, quite slowly over a long period, is the awareness that we are in fact a social-political force which has the ability to influence

the "hard line" of the government in the interest of broad layers of the population. This awareness is the first step in developing a trade union ideology.

Trade-union ideology

No serious social organisation can develop and survive without its own ideology. This ideology is a system of values that acts as motivation for the activity of activists and officials and provides the ideals that underlie our programme and propaganda, ideals that make the organisation attractive to its potential members and to at least part of society.

This was traditionally the case with the trade unions. At the beginning of this century most trade unions were ideologically tied to some form of state socialism in either its communist or social-democratic form. But both of these forms has one thing in common: they regarded the state as the main regulator of labour relations and identified social progress with state intervention and regulation. In the old USSR the subordinate role of the trade unions corresponded to a particular version of communist ideology which saw the unions as transmission belts for the party and as part of the party and economic nomenklatura.

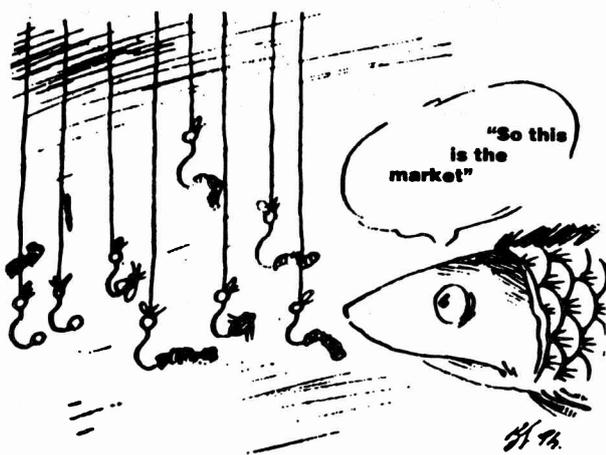
But this communist ideology is now finished. What will replace it?

Unions and the market

The ideologists of the independent union SOTSPROF propose the following: it is better for the worker when the free market and free enterprise dominate. Therefore it is not the task of the unions to disrupt this system of free enterprise. The unions should concentrate on the fight for better wages.

Let us leave to one side the thesis that workers are better off in a free market system (a thesis not confirmed by the majority of capitalist countries in Africa, Asia and Latin America) and let us look at the methodological aspect.

From a consistent liberal point of view, the trade union, although it may not be hostile to the market, certainly does not promote it. Through its activity the trade union limits the free market in labour in that it raises the price of labour by methods that do not conform to market principles. It confronts the market like a force of nature. In this it resembles any other such combination, be it a consumer association or an employers' federation. Wherever such combinations exist there is a correction of objective market laws in the interest of the members of this combination. The ideal of a consistent defender of the free market



system is a contractual system in which, between the worker and employer, there is no mediator holding a collective contract.

An absolute victory for the free market would mean the end of trade unions. But such a victory would also mean the destruction of the entire complex system of social relations. To prevent such a disintegration society as a whole, with its various groupings and combinations, and with the assistance of the state, has to constantly intervene in the "objective course of events" and place limits on the market. That is why, in any modern society, tendencies and structures that conform to market laws exist side by side with those that do not conform. Trade unions are part of the latter. So there is no need to apologise for the unions. In Russia today, where the trade unions have to protect the population from the consequences of the "introduction of the market", it is important not to forget this.

Likewise, the complete elimination of the market would also mean the end of trade unions. Normal trade unions have to see themselves, therefore, as a (necessary) anti-market element in a (necessary) market society. Although the trade unions recognise, at the present moment, the inevitability and the economic sense of the market economy and private enterprise, this does not mean that they have to accept the entrepreneurial value system and market ideology as the basis of their own activity. On such alien territory, their defeat would be inevitable.

Unions as defence organisations

Under present conditions the ideology of "defence" has the appearance of being more realistic. Whatever happens, "we defend the interests of the workers". This kind of slogan is found in practically all trade union documents now. Theoretically it is very seductive but it has made no real inroads into the consciousness of the masses. The number of organisations that claim this role for themselves has increased dramatically but this solution is a purely defensive one and offers no perspective.

In this scheme of things, the trade union is cast in the role of eternal reactor: what will happen next and how should we respond? But such a posture could only undermine the very existence of rank-and-file branches and broad layers of activists. This kind of approach leaves us with two options. The first option would be to see the unions as necessary only in the

case of actual conflicts. But then rank-and-file branches would be superfluous. All that would be needed in every town would be a kind of union "fire service" of lawyers, labour-rights-experts and inspectors that could respond to the workers' call, provide assistance, draw up contracts, etc.

The second option would be to see the unions as in permanent conflict with the employers. But this kind of permanent trench warfare is hard to sustain and, willing or not, the temptation would be to go onto the offensive and get rid of the enemy once and for all. Along this route, the adoption of a communist position would be unavoidable.

A rejection of this defensive ideology does not mean the rejection of the idea of social defence. This defensive role is important in trade union ideology but it is not the most important.

Unions and economic democracy

At the beginning of perestroika ideas of economic democracy were extremely popular, the slogans being "self-determination" and "make all the people owners". (...) But the regime that established itself after the fall of the CPSU is completely authoritarian and distinguishes itself from the old communist regime only in the greater degree of cynicism among the new elite. (...)

The basis of a democratic society is the sovereignty of the individual person. This, however, can only be established through a fundamental transformation of the conditions that exist in the enterprises. This transformation is linked to changes in ownership but these changes in themselves do not play the most important role.

Our country is a country of workers, concentrated in big industrial combines. The change from public to private or collective ownership will have little effect on the day-to-day life of the workers. What is required is a revolution in the relations of the labour process itself, a transition to economic democracy which secures the sovereignty of the individual worker within the enterprise. In our society, it is only the trade unions which are capable of resolving this problem. Until this problem is resolved the country will not be able to overcome its technological backwardness.

Motivation the key problem

The disintegration of the economy, which is taking place before our eyes, cannot be explained simply as a result of the structural reforms being carried out in accordance with instructions from the IMF. The main cause is to be found in the complete destruction of the motivation to work.

Under the previous state-communist system the motivation to work was extremely deficient, but it did exist. During the Stalin era there was a dual motivation: fear and communist religiosity. Although the costs were high, it led to the construction of a modern industrial society in this country. But this industrial society, once it was established, could not be managed or developed on the basis of these stimuli. Nevertheless, worker motivation did not disappear.

The income of the individual worker did not depend very much on his or her level of productivity. For the individual worker what mattered most was the stability of his or her social position. It was this social position which was the Soviet worker's greatest capital. To have a secure position in society and slowly or quickly, depending on circumstances, to

move up the ladder - that was the supreme law of the old USSR. What secured the stability of one's social position was the fulfilment, in a more or less acceptable manner, of one's work or career obligations.

The Soviet worker didn't work well because this would bring in higher income but because it put him in a good relation to his superiors; in other words, he had his position, his bonuses and the possibility of upward mobility.

With the collapse of "socialism", this old communist work motivation also collapsed. What replaced it was a complete vacuum. Why should one work when wage increases are below the increases in prices? Why work harder when income depends not on productivity but on a host of other imponderables (the profitability of the enterprise, the skill of the manager, demand for the product, government fear of strikes in this sector, etc)? Why make an effort to please the managers when tomorrow both managers and enterprises will probably disappear? Why work hard when speculators and black-market dealers can earn much more?

Production has been left to its own fate and continues to function only as a result of pure inertia; the old communist work motivation hasn't entirely disappeared.

It is only speculators, brokers and, to some extent, private entrepreneurs that work from a capitalist motivation - the possibility of making profit. But speculators and brokers don't produce anything.

What can be done to motivate workers to work and increase productivity? there are only two possibilities: either economic democracy or hunger and machine guns.

What is to be done?

In its pure form, economic democracy means, on the one hand, democratic self-management of production at enterprise level and, on the other hand, democratic planning which allows the workers, through elected organs, to take part in strategic decisions. Under the conditions that exist in this country at the moment, there are certain preconditions that have to be fulfilled before there can be a transition to economic democracy.

1. The workers must be drawn into the decision-making process about wages and conditions of work. This requires a system of collective contracts in the work places and wage negotiations in the different branches. This can only be implemented by the trade unions and their regional federations. Individual work contracts are unacceptable because they expose the unorganised masses of workers individually to the arbitrary power of the organised employers.

2. The prestige of qualified specialists who are not self-employed must be increased. With the transition to a market economy, the feudal structures in the enterprises should be got rid of. Specialists should not be made to do work which does not correspond to their qualifications. The so-called "shock worker movement" must be abolished because it destroys the solidarity of the workers.

3. There must be a redistribution of national income in favour of the producers. The economy cannot function normally when qualified producers have a lower income than those who sell and resell their products.

In our country the proportion of wages in national income is many times lower than in the developed countries. This difference, previously eaten up by the massive bureaucratic apparatus, is now being taken

by speculators. It would be naive to believe that the free market would change these proportions in some miraculous fashion. This miracle didn't happen in Latin America and it is not happening now in eastern Europe. It is only a strong trade union movement, active at national and regional levels, that could alter these proportions.

4. The distribution of the remaining part of national income must gradually be regulated. In the semi-colonies, the providers of raw materials for the developed countries, there is neither economic nor political democracy. The danger that we will become a semi-colony is very real. The new Russian bourgeoisie, with their interest in the market and in business, as well as officialdom which is corrupt and open to bribery, are prepared to go in this direction.

To counter this trend, exports and imports must be bought under social control. The trade unions must take the initiative in introducing this kind of control.

Success in overcoming inflation and technological backwardness and in limiting unemployment depends totally on investment policy, i.e. on whether money is invested in production, science and the technical renewal of Russian industry or whether it is wasted in speculation and export of raw materials.

5. Unemployment must be limited as much as possible. (...) To prevent the impoverishment of the unemployed and their separation from the organised labour movement, the trade unions should take over the main responsibility for retraining. This should take place, as much as possible, within the enterprise (without lay-offs) and the means to pay for this should be raised in taxes from those enterprises and employers that initiate mass lay-offs.

These are just the first steps and it is only when these steps have been taken that plans for a real economic democracy can be developed.

Privatisation

I have quite consciously avoided here the question of privatisation and forms of ownership. This is a subject which requires separate treatment. Within the framework of the present article, what I would like to propose is that the trade unions should avoid taking a definite position on privatisation. An appropriate solution must be found in each branch, in each region, in each enterprise. What must be held on to unconditionally is the following principle: the wishes of the workers must be decisive in determining the form of ownership. (...)

Conclusion

This article should be the basis for further discussion. I hope that the trade union groups, the qualified specialists in the labour movement and all others concerned will take forward this debate about trade union ideology.

In this article I have intentionally addressed myself to the old "official" trade unions because I believe that the main line of development for the labour movement in this country will be through the renewal and revival of these trade unions. I am convinced that the alternative unions have little chance of success and that they will never replace the "old" trade unions.

Other views are possible and this article will hopefully be the beginning of a discussion.

We reproduce below two issues of a publication by the "Workers and Trade Union Information Centre KAS-KOR [Confederation of Anarcho-Syndicalists]" in Moscow. They are the January 1992 and March 1992 issues of the Information Centre's monthly English-language Information Digest. These publications provide information about worker's and trade union struggles from all over the former USSR. The two issues are reprinted in their entirety

Workers and Trade Union Information Centre KAS - KOR Moscow

Monthly Information Digest No. 1 January 1992

Editorial

"Liberalization" is sewn. What shall we reap? This is a month of expectation. Awakening on 2 January the inhabitants of Russia understood that shopping would become like going on an expedition, exactly as the vice-president Burbulis had stated. The prices of the majority of foodstuffs and industrial goods rose 5-10 fold as compared to December 1991 and 10-15 fold as compared to the spring of 1991. The shock was so strong that people were thrown into complete apathy.

The country held its breath feeling that it was a lull before a storm. The majority of enterprises had to prolong vacations, making use of a recently reintroduced Christmas leave. After the vacations the first visits by the workers to their canteens led to work stoppages. Administrators had to urgently seek compensations.

It seemed that a blow was unavoidable when "liberalization" of prizes shook other republics. The situation was worsened by the fact that the Congress of the Independent Miners Union had decided that miners of all the republics would begin a strike if their governments would not begin negotiations with them before January 25th. As of today such negotiations have been held only with the Russian government. Despite this the miners of the coal-producing regions are not on strike because it will lead to the paralysis of the economy. In Ukraine the miners also fear the closing of most of the mines by the government in the case of a strike.

The situation is becoming that of a dead-lock since, according to medical men, the Ukrainian miners have to get from 11 000 to 20 000 roubles per month to restore their strength and to support their families. (As of today they get between 4000 and 5000 roubles.) Plant administrators have to close them down or force the whole personnel to go on leave because of the final disintegration of economic ties and mutual failure to fulfil agreements. The chaos in the country has increased since the personnel of the number of enterprises can not endure the situation

and go on spontaneous strikes.

In such circumstances the organized independent workers' movement is left aside as well as the official trade unions, part of which plays a directly provocative role. Thus, the Federation of Independent Trade Unions of Russia (former official unions) on the one hand calls unprepared and consequently doomed acts of protest, and on the other hand follows an anti-labour decree by President Yeltsin on social partnership and creates a three-sided commission (trade unions, employers, the state) thus admitting that workers have no right to strike.

Alternative trade unions also have joined the commissions, for instance, the Sotsprof and the Independent Miners Trade Union of Russia. But this trade union uses the real opportunity to continue the negotiations with the government while Sotsprof states that it supports and agrees with government policy.

In this complicated situation the influence of radical pro-communist organizations in the workers movement is beginning to grow. The slogan "Return to Socialism" is heard more often. And it finds a response. People are becoming convinced that the new "democratic" bureaucrats are not better than the old party nomenklatura.

The foodstuffs accumulated before the price-rises will be exhausted very soon. The working people will get a salary, which will be just enough for two visits to a shop and then a powerful social blow-up will be inevitable. It is difficult to say today who will rise on this wave of indignation and seize power.

K. Sumnitelny

RUSSIA

MOSCOW. On the order of the Moscow Trade Union Federation, the Moscow city statistics committee analysed the minimum living wage in Moscow, taking into account prices as of 8 January. The

average for such a basket of goods and services is 1944 roubles monthly, and with the prices of tobacco and alcohol added, it costs 2072 roubles. The Moscow Trade Unions are going to use these figures in negotiations on collective agreements and wages.

Tram's blind alley

PERM. Frustrated tram-drivers held a strike on several routes at the end of last year. They demanded independence for the tram-park and allocations for repair of the broken-down vehicles.

Judge not..

NOVOSIBIRSK. On the 25 December 1991, the administration of the city cotton plant appealed to the Regional Court not to bring a case against six workers, organisers of the so-called "tobacco" strike in September 1990, (caused by absence of tobacco in the shops). Igor Korchuganov, a workers movement activist and a Sotsprom member, compelled the administration to do so. He was penalized after the strike but succeeded in annulling the decision. Now he is seeking for the whole case to be re-examined so his mates can be fully exonerated. They were penalised by an unlawful decision of the administration proclaiming the strike "unlawful". The first session of the Court took place on 24 December. The administration pleaded the next day to consider the strike unlawful. The case will be considered by the Regional Court.

The stick and the carrot

SAMARA. The strike of the ball shop of the ball-bearing plant (see digest M12 1991) ended on 25 December 1991. The administration partially satisfied the demands of the strikers, their wages were increased by 60 per cent. But the strike committee has not been dissolved, its function being to ensure the fulfilment of the administration's promises.

The situation is different at the thermo-power shop whose workers joined the strike without arranging the formalities. So the Court ruled their strike unlawful. As the shop did not work the whole plant was paralysed, the damage costing 40 000 roubles. At the end of December the activists of the strike committee were dismissed; Anatoly Esaulenko, a member of the Central Committee of the Workers Party of the Dictatorship of Proletariat among them.

"Conductor, pull the brakes!

MOSCOW. A strike at the locomotive depot "Moscow 2" took place from 10 o'clock p.m. on the 26 December until 5 o'clock a.m. on 27 December. Electric trains on the Yaroslav section of the railway were stopped. Among the demands of the workers: a wages rise, free meals during working hours, allocation of flats to those who need them, prolonged vacations of 45 days, a 36-hour working week, improved conditions for work without breakdowns of the electric trains. During the negotiations with a vice-Minister and a deputy director of the railway, the latter were told that an indefinite strike would be called if these demands were not met.

A meeting of locomotive teams took place on 29 December, attended by Sergey Stankevich, the State Councillor of President Yeltsin. The administration promised to increase wages and ensure that breakdowns of the locomotives do not occur and also to reinstate two conductors who were compelled arbit-



"Provision of transport", Poster by Gustav Klutsis, 1929

rarily by the administration to work as metal workers. During the negotiations on 3 January it was decided to form a conciliatory commission.

Small wages in a big economy

VORKUTA. The auxiliary workers of the "Yur-Shor" mine stopped work on 8 January not satisfied with wages of 1400-1800 roubles a month. They demanded recalculation of their wages for December and from then on payment at 75% of the miners' salary (4000 roubles). The miners, with the administration, tried to work out a new system of wages which would take into account the personal effort of each worker and which would stimulate labour. But the miners hold the opinion that this problem cannot be solved now because there is no unified financial policy in the country.

The miners are concerned with the first vice-Premier, Y. Gaidar's decision to turn mining enterprises into holding companies with 100% control belonging to the state. A delegation of "Yur-Shor" is going to visit Moscow to present its own programme for mine development, based on worker's participation in ownership, to the Supreme Soviet (Parliament) and the Innovation Council of Russia. The rest of the miners of the region are looking upon the developments at "Yur-Shor" attentively and the situation in the coal-mining enterprises will depend on the results.

The secret trial

MAGNITOGORSK. On 10 January, a head of the screw shop of a hardware plant read aloud to the workers his decision to deprive the organisers of the November strike of a part of their wages (a so-called 13th salary) because a court decided that the strike had been illegal. The workers were surprised since not one of them was called to the hearings and did not know that their case was being investigated.



The science of strike

PERM. The conference of the city's doctors decided on 14 January to support the all-Russian medical personnel strike called for 29 January. Before the strike the trade union passed through all the proceedings provided for by the law, but neither the Conciliatory Commission nor the Court of Arbitration could solve anything. A regional conference of the trade union, administration and chief doctors of hospitals was held. The medics' main conclusion was that it was impossible to go on as before because more and more often they have to state: "The patient died because of the lack of the medicines". Mortality is growing while the birthrate is declining.

Their chief demands are: to speed up the adoption of the law on the status of medical workers; to revise pension ages and the amount of pensions; to adopt the law on labour protection; to finance medical care according to new norms and actual spending; to raise wages to 15% above the wages of industrial workers.

Bon Appetit!

CHELIABINSK. Up to 400 people will be given free dinners at a city cafe beginning in the 2nd half of January. This has become possible as a result of an agreement reached by the city workers union and a businessman. Nowadays many of those who are ready to give money for charitable purposes are not doing so, being afraid that the money would not be received by those who need it. In this case the workers union guarantees that the dinners will be served to those in need and an anonymous businessman provides the financing.

To part with strike-breakers

VORKUTA - INTA. A regional conference of the Independent Miners Trade Union was held on 17 January. It was decided to unite the Vorkuta (about 6200 members) and Inta (1600 members) organisations into a regional one. The conference decided to begin a strike if no positive steps are made for the conclusion of the general tariff agreement before 25 January.

Anticipating the strike the regional trade union made an amendment to its statutes. If a member does not take part in a strike called by the decision of the trade union he is automatically denied membership.

A trade union for army officers

SALTYKOVKA. Moscow region. The constituent conference of the Independent Trade Union of Army Officers was held at the premises of the Trade Union Personnel Institute. More than 60 delegates from Russia, the Baltic States, Belarus, Central Asia, Ukraine and the Northern Caucasus took part in it. The Conference solved all the problems very quickly, army-like. A Declaration of the rights of army officers and trade union statutes were adopted.

It was stated in the report made by Andrey Goptar, a co-chairman of the organising committee, and in the documents adopted by the conference, that the trade unions' foremost tasks are to secure the safety of the army service, and to safeguard the rights and health of the officers. The new trade union declared its independence of the commanding structures and existing trade unions. A programme of activities was adopted and a central board was elected.

Workers of Russia, unite!

EKATERINBURG. A session of the Council of Representatives of the social-political organization "The Worker" (OPOR) took place on 17-19 January. Representatives of 10 organisations from 5 cities were present. Changes in the statutes were made declaring an all-Russian status for the organisation with the purpose of becoming a base for the cooperation of all the workers organizations of Russian on common principles stated in an unifying declaration. Among these principles: transfer of ownership rights to the means of production and the products of their labour to the labour collectives; self-government for labour collectives, which are gradually to become the state power etc. A decision was adopted to create an OPOR Information Centre. A new Executive Committee was elected, Valery Bakaev, Vladimir Lebediev, Vladimir Reznik among its members. Victor Burtnik was elected as OPOR chairman.

Knowledge is power

SALTYKOVKA. Moscow region. A seminar for the activists of independent trade union and workers organizations was held for the first time in Moscow on 17-21 January. It was organised by the Workers Movement Information Centre "KAS - KOR" jointly with the Swedish Workers' Centre (SAC), a Swedish Syndicalist Trade Union numbering more than 13 000 members. Twenty workers organisations and independent trade unions from Russia, Ukraine, Belarus, Lithuania and Estonia sent their delegates for the seminar. They discussed problems of the history of privatization, social security and collective agreements. SAC representatives reported on the theory and practice of syndicalism. The participants exchanged experiences on trade union activities. Specialists from the Academy of Labour and Social Research delivered lectures.

What does the Party of Labour want?

MOSCOW. A conference of the supporters of the Party of Labour took place on 18-19 January. Left groupings and trade unions taking part in the

creation of the new party in the situation of a worsening economic crisis evidently want to unite and to try to maintain their influence in the parliament and city councils. To this end, they are sure, it is necessary to form a Labour Party which must fill the empty place on the left of the political spectrum. It is suggested that initiative city groups should provide information, available at the centre, to the labour collectives, as well as give them access to TV, radio, and national newspapers.

Will ambulances answer the call?

SAMARA. Several dozens of first-aid ambulances picketed the building of the regional council, their sirens wailing. Their personnel were demanding an increase in wages and leaves. Instead of the 150 ambulance teams necessary for the city, only 95 are working now. According to general practice the ambulances took calls on the city square and returned there. If their demands are not satisfied the real strike will begin.

The highest level

MOSCOW. On 20 January Russian Vice-Premier, Y. Gaidar, met a Kuzbass coal mining regional delegation consisting of Mikhail Kisluk, chief of the region administration, Vyacheslav Sharipov, chairman of the Independent Miners Union, A. Aslanodi, acting chairman of the Council of Workers Committees and Sergey Velikanov, co-chairman of the Prokopiievsk Workers Committee. They put forward 15 proposals to Y Gaidar, the problem of a tariff agreement being the most important.

The Kuzbass delegation met Boris Yeltsin on 22 January. V. Sharipov spoke for the programme of equal rights for the Independent Miners Union. S. Velikanov asked for the reinstatement of enterprise independence and for changes in the structure of the coal-mining industry. He pointed out that these rights had been gained as a result of the 1989 strikes but had now been lost. Speaking of the situation in the region, Aslanodi pointed to the crisis of state power. M. Kisluk reported on the project of turning the region into a free economic zone. Boris Yeltsin confirmed the equality of all the trade unions before the law and ordered immediate preparation of a tariff agreement between the union and the Russian government.

Strike readiness cancelled

MOSCOW. Negotiation between the Russian government and two Russian miners unions were held on 21-23 January, namely the Independent Miners Union and the Union of Coal-Mining Industry Workers. Wages were the main item. The trade unions demanded a 5-fold increase while the government suggested a 2-fold rise.

After a prolonged discussion a 3-fold rise was agreed upon beginning in January. The wages are to be constant over 3 months. In response the trade unions promised not to press the government during this time. A. Sergeev, the Independent Trade Union chairman, reported the results of these negotiation and called upon the miners unions to refrain from the already planned strikes.

The plenary session of the Federation

ST. PETERSBURG. The city Federation of Trade Unions organised picketing in the city from 21

January. Formerly an official structure, the federation has become very active lately and is constantly pressing the city authorities. It stands against prices rises and demands the provision of food to city and regional dwellers. A plenary session of the Federation of Independent Trade Unions of the city took place, and the problems of unemployment and social security were discussed. The session decided to create a fund for help and social security and allocated 170 000 roubles to this fund.

Representatives of working collectives suggested on 24 January, at the session, to hold an all-city general strike because of the worsening economic conditions and the disparity between the new prices and the old wages. The decision about the strike had been postponed until talks take place with the city authorities.

Taxi-drivers' pickets

OMSK. A precautionary strike of the drivers of the two Omsk taxi fleets was held on 21 January. They picketed the City Hall. Taxi-drivers demanded a decrease of the fare by 50%, the resignation of the taxi-fleets administration and the privatisation of cars. Despite the threats made by the chief of the regional administration, a conciliatory commission was established to consider the drivers' demands.

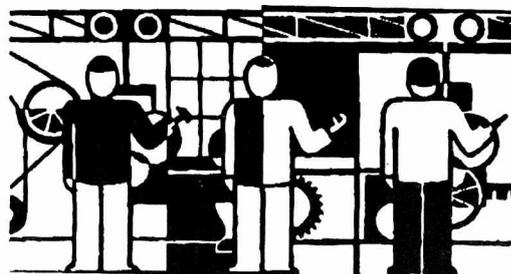
Mutual obligations

MOSCOW. An agreement between the government of Moscow and the Moscow Federation of Trade Unions was concluded on 24 January. According to the document signed by Y. Lyzhkov on behalf of the government and M. Shmakov on behalf of 39 Trade Union organizations of Moscow, the government has to take measures to secure employment and living standards and guarantee social security in the fields of culture, sport and ecology.

The Government will be obliged to calculate and publish a minimal personal consumption budget and to provide indexation of salaries. If these conditions are guaranteed the Federation will abstain from strikes for the duration of the agreement.

Don't get ill

INTA. Medical personnel of the city started a strike on 25 January. Only hospitals and first-aid centres continued to work. The cause of the conflict was a catastrophic situation in the system of medical care. The needs of the city in medical equipment are satisfied only to a level of 18 per cent, in medicines to a level of 45 per cent. The strikers demand the provision of hospitals and clinics with the necessary goods and an increase in the salaries of medical personnel.



Strike committee becomes trade union

MOSCOW. A constituent congress of the Russian Independent Trade Union of Locomotive Drivers (locomotive teams) and Railway Workers was held on 27 January. The new Trade Union embraces locomotive drivers and their mates from the city subway, railway diesel and electro-locomotives and students of railway schools and institutes. Thirty-five delegates from 13 railway depots took part in the congress which considered its statutes. Membership will be lost if a person gets an administrative job. The governing body is the Russian Committee of 30 members elected directly by the primary organisations. Valery Kurochkin was elected chairman. At the time of the congress he headed the railwaymen's strike committee.

Doctors on strike, patients support

SAMARA. All medical establishments of the city organised pre-strike actions - rallies and pickets of the local administration from the 27th to the 31st of January. They planned a general strike of the medics of the region for 5 February. The budget for medical care in the region is only 28 per cent of that of previous years. On 28 January all the patients of the largest city hospital, N3, signed an appeal supporting medical personnel. Other hospitals also got patients' signatures.

Distrust of administration

LENINSK-KUZNETSKY. The first city conference of the Independent Miners Union, held on 29 January, expressed distrust of the city's administration. The miners demanded the administration's resignation because it could not provide the citizens with food. The union agreed with the suggestion of the workers' committee to hold a conference of miners and to invite the administration of the city and of the mines to report on what has been done.

Party of Labour conference

MOSCOW. The Moscow constituent conference of the city's Party of Labour organisation was held at the Moscow Medics Culture House on 31 January. In connection with the worsening social and political situation in Moscow, the new organisation issued a special Political Statement calling upon the government to immediately adopt minimal measures to stabilise the economy and asking different political forces to immediately sit at a negotiations table.

Catching the fish

PETROPAVLOVSK KAMCHATSKY. A strike committee of fishermen has been created in Kamchatka Peninsula. Fishermen were forced to take radical steps by the Performance Contracting Group, a US firm. According to the contract the American company had a right to fish in Russian waters for 10 years and to catch 330 thousand tons of fish annually. This contract will definitely lead to the unemployment of thousands of Russian fishermen, which in turn will result in closures of fisheries and dismissals of port workers. As a final result, 75 per cent of the region's population will lose their jobs. Right now there are 2 000 unemployed in the peninsula.

The strike committee addressed American fishermen, asking for support, and demanded that

President Yeltsin should prohibit foreign fishing ships in Russia.

UKRAINE

Solidarity

DONETSK. On December 30th Donetsk workers' committee sent a cable to Kazakhstan's President N. Nazarbaev in connection with the continuing strike at the "Tentekskaya" mine (see weekly digest No 12). It read: "We are indignant because our brothers' demands are ignored and we demand immediate negotiations. Donetsk miners express full solidarity with the striking Kazakhstan miners".

Advice to the President

DONETSK. A joint sitting of the Coordinating Council of the Regional Union of Donbas strike committees and the Council of Representatives of the Ukrainian Independent Miners Trade Union took place on 2 January. The participants sent a cable to I. Kravchuk, the Ukrainian President. In connection with the unprecedented price rises and the plans of the government to carry out an experiment in the coal-mining industry and to leave it without governmental subsidies, the participants think it necessary to adopt a law on mineral wealth providing for rent to be paid by mining enterprises according to the mining conditions. The introduction of so-called regional prices will inevitably lead to a fight between coal producers and is meant to cause a split both among the directors and the coal-miners as well.

The coal-miners rejected the government suggestion to abolish taxes for coal-mining enterprises because this measure would lead to the devastation of the budgets of the cities and towns.

Just Walk!

KIEV. The city buses did not appear in the streets of the Left Bank district on 15 January. The drivers demanded an increase in their wages, better social conditions and the resignation of the government. That same evening the government promised to fulfil all the demands except the last one, and the strike was stopped.

For the Government's resignation

KIEV. On 28 January, the day of the opening of the Supreme Soviet (Parliament), the All-Ukrainian Union of Workers Solidarity and Solidarity Trade Unions of Ukraine organised a picket at the parliament building. Their chief demand was the government's resignation, for it turned out not to be ready for the transfer to a market economy and did nothing to lessen the hardships of that period. On the demand of the participants of the rally, Alexander Ivashenko, the Union's chairman, was given five minutes to address the Parliament. He stated the position of the Independent Unions. The Parliament did not support the resignation of the government but agreed with the proposition made by President I. Kravchuk to partially reorganize the Council of Ministers.

A strike in Kiev

KIEV. Many enterprises have stopped production

because of the new economic situation and have forced their workers to go on unpaid leave. But according to the law on forced leave, the administration has to pay the workers two thirds of their wages. The independent trade unions insist that the law be implemented. Thus the association of the Solidarity Trade Unions of Ukraine threatened the administration of the "Promsvyaz" plant that the 5000 workers now forced to go on leave would return to the plant and would pretend to be working. The due money was paid to them.

BELARUS

MINSK. The administration of the Minsk Production Association Imeni Lenina (Belvar) continues to persecute Sergey Andrushin, a city strike committee member and a member of the Independent Inter-professional Association of Working People. Sergey Andrushin, a radio-controller, spoke against the conclusion of an extremely unjust collective agreement proposed by the administration. After that he was told he would be sacked "as part of a reduction in personnel".

Cables of support for him can be sent to the following address: V. D. Mumay, General Director, MPO Imeni Lenina, Francisk Skorina Prospekt, 58, 220050 Minsk, Belarus.

A cable

SOLIGORSK. The Independent Miners Trade Union of Belarus sent a cable to Prime Minister Kebich on 21 January. It reminded the Prime Minister that time for negotiations with the miners is running out.

"You compel us to start anew the strike stopped temporarily in April", they wrote in the cable. Cables were also sent to the directors of mining and processing enterprises. They were warned that if the government refused to begin negotiations with miners on the basis of documents they sent to the Council of Ministers, the Union would call the miners to strike. The Union underlined that such a strike would be supported by other coal-mining regions, unions and strike committees of Belarus.

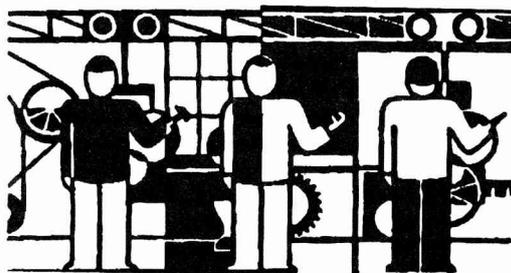
Who was sent to us?

SOLIGORSK. The Council of Workers Representatives and the executive bureau of the Independent Miners Trade Union of Belarus held the first round of talks with the government commission on tariff agreements on 27 January. But the commission's lack of interest and incompetence forced the miners to halt the negotiations. They sent a cable to the government asking it to confirm the authority of the commission and to resume talks on 3 February.

LATVIA

A new status

RIGA. The Board of the Latvian Union of Workers decide to turn the union into a social and political organisation. Yevgeny Shelenin, the chairman of the



Union, said that this would allow it to defend workers' rights not only at the professional, but also at the political level. The new status will allow the Union of Workers to take part in the parliamentary elections and to nominate its own candidates as MPs. Thus the Union will have the possibility of influencing the process of privatisation through the legislature. According to the law, only citizens of the country have the right to form political parties. The change in the status of the Union will make political activities possible for those without citizenship.

LITHUANIA

A time for consideration

VILNIUS. A delegation of the Lithuanian Union of Workers headed by Aldona Balsene, its chairman, met on 7 January with Prime Minister Vagneris and demanded the resignation of the ministers of health and social security and the merger of these ministries. According to the Union, the work of these ministries is unsatisfactory. The Union gave the Government a month to consider this demand. If it is ignored, the Union will undertake more resolute actions, including calling for strikes.

Rueful statistics

According to data from the Lithuanian Union of Workers, 175 people died and 130 were wounded in republican enterprises during 1991. The highest mortality rate was registered at agricultural enterprises (81 dead, and 27 wounded), transport, trade and cooperative enterprises (14 dead, and 11 wounded).

A Nashlenus, chief technical inspector of the Lithuanian Free Trade Unions, pointed out that, in his opinion, the growth in the rate of mortality and industrial injuries compared to the previous year testifies to the lack of attention paid to this problem by the trade unions.

Sacking is possible

PANEVEZHIS. 3200 workers of the local compressor plant found out on 20 January that they were being forced to go on unpaid leave. The plant is not working because pig-iron was not delivered from Russia and Ukraine. Compressors are made there for the biggest automobile plants in the republics of the former Soviet Union. Now temporary sackings may await the automobile workers of Kamsky, Minsk, Kremenchug and Nizhny Novgorod. 3000 compressors will not be sent to these plants. The situation arose because detailed agreements among the

Republics were not worked out, so the licences for the export of pig-iron were not given to Russian plants.

Threat of unemployment

PANEVEZHIS. More than 50 000 workers in the electrotechnical industry may lose jobs because of the stoppage of the Panevezhis Litkabel plant, according to Y. Yurjavichus, the director of the Industry Department of the Lithuanian Institute of Economics. The Panevezhis plant was stopped because brass products were not obtained from the plants in the former Soviet republics, although the agreements had been concluded. A new system of licensing in Russia also hinders imports. Huge piles of cargo are piling up on the frontier between Lithuania and Belarus. A foundry and mechanical plant were stopped for the same reason. The Vilnius plant "Blasta" and a plant of mineral fertilizers have only 20 per cent of former output for the same reason. Only 50 per cent output is being achieved by the Lithuanian railways, which means mass sacking of railway workers.

No jobs

SHAULAI. The city labour exchange had no time to begin its activity but probably will be closed because there are no vacancies. meanwhile the number of unemployed in the city is growing. The meat-processing factory forced 150 workers to go on unpaid leave. 40 people at a flour-mill, 116 postal workers and 250 peoples at the "Nuklon" plant will be dismissed. Dismissals are expected at other enterprises too. All these people have to look for summer agricultural seasonal jobs.

KAZAKHSTAN

SHAKHTINSK-KARAGANDA. A strike has been going on at the "Tentetskaya" mine for more that a month. The chief demands among the twenty put forward by the strikers are the following: wages sufficient to buy enough food to restore physical strength, provision of food and items of urgent necessity, 15 per cent of coal output to be the miners' collective property.

The striking miners went from Shakhtinsk to Karaganda, the capital of the mining region, and picketed the building of the coal-mining administration. They had negotiations with the administration representatives who told the miners that their demand to receive a part of the extracted coal was not to be met and other questions concerning food and goods supplies have nothing to do with the administration. After that the striking miners met the workers at other mines. As a result, miners from "Kazakhstanskaya" mine, "Shakhtinskaya", "Saranskaya" etc. went on strike. The membership of the Independent Miners Union is growing from day to day, and the strikers are getting many cables expressing support.

Sum total

KARAGANDA. A meeting of representatives of ten striking mines was held on 10 January. The Central Strike Committee was formed with the aim of involve

in the strike all the mines of the association "Karagandaugol" and to coordinate the strikers actions.

On 16 January the strike ended since the government met the chief demand of the strikers - it gave 15 per cent of the extracted coal to the miners as their collective property. But despite the end of the strike the Central Strike Committee is continuing its activities. It consists of 20 members who will see to it that all the demands of the miners are met.

The administration has not met the demands of the miners to pay all the money earned by them in cash and to conclude to tariff agreement with the Kazakhstan government. A conciliatory commission is working now. If all the demands are not met the miners will stick to all the procedures provided by the law on labour conflicts and will resume the strike.

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**Workers and Trade Union Information Centre
KAS - KOR
Moscow**

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RUSSIA

Pickets organised, a strike postponed

PERM. On March 7 activists of the social-political alliance "Rabochyi" (The Worker) organised pickets at the entrance of the Sverdlov plant to support the pre-strike demands of the plant's collective for bigger pay. Three polishing shops were to strike on March 9, but the strike was postponed since the administration promised pay rises.

The left march

MOSCOW. On March 7, at Sovyetskaya square, a meeting was held. It was organised by the Federation of Revolutionary Anarchists, the Confederation of Anarcho-Syndicalists, the Socialist Workers' Union and other leftist groups. They advanced slogans: "Down with the government of speculators and bureaucrats", "Enterprises to the working people". More than 150 people took part in it.

Teachers threaten to strike

MOSCOW. The teachers' strike committee of the capital's north west district prepared a package of demands to the city authorities and the Education Department. In connection with the steep price rises due to liberalisation, the teachers demanded pay rises and bonuses for checking pupils' homework, for grade direction and for other additional work. If the demands are not met the teachers will hold a one-hour warning strike on April 16 and begin a full strike on May 4. The teachers of other Moscow districts will evidently support the strike.

The strike that did not take place

MOSCOW-KEMEROVO. A three-sided commission was in session on March 6 at the Supreme Soviet of the Russian Federation. It had to solve problems in connection with the the complicated situation in the Kuzbass coal mining region. G. Burbulis, the first Vice-Premier, stated that he had cancelled his previous decision to send a governmental commission to the Kuzbass region after consultation with the Council of Workers' Committees of the Kuzbass and the regional administration. Mikhail Kisluk, the head of the regional administration, asserted that the majority of the workers' demands were unreal, the

food supply was at the level of the 1970s and he saw no reason for strikes. The Federation of the Trade Union Organisations of the Kuzbass (formerly an official one) expressed their determination to begin a strike on March 11.

The Russian Coal Industry Workers Union expressed their support for the strike but the coal miners are not going to stop working, since the General Tariff Agreement with this trade union had already been concluded and many of the problems solved. The regional Kuzbass Workers Committee stated on the same day that the Federation's demand to raise the wages of all working people in the region six-fold was put forward despite the agreement reached between the Workers' Committees and the Russian president. The Workers' Committee called the Trade Union the last stronghold of communist forces and blamed their leader for the support of the restorationist forces that seek to overthrow the government and limit the power of the president. The Council of the Workers' Committees called on the workers of the region to refrain from the strike.

BELOVO. Teachers of this railway centre and collectives of two auto-transport firms expressed their readiness to strike by March 10. These workers did not receive their salaries in time because of the lack of cash. The Belovo Trade Union of Coal Industry Workers did not support the strike.

BERESOVSKY. Medical workers of the town are going to begin a strike called by the town federation of the trade unions. Two conferences of the town's medical workers were held. It was decided which medical structures would go on strike and which would refrain from the strike to carry out urgent medical services. The town strike council was formed. Teachers supported the medics. In six town schools the strike began. The teachers demand pay rises and a lowering of prices in the town and the region. The local geological survey organisation is ready to support the strike. The strikers are partially supported by the local Construction Plant Trade Union. The miners are not supporting the strike.

MEZHDURECHENSK. A strike committee of the workers of the local trade union was formed and their demands were elaborated. The coal miners are not going to strike but are not happy with the delay of their pay.

OSINNIKI. The local tradesmen's strike committee stated its readiness to support the strike on March 11.



LENINSK-KUSNETSKY. The city strike committee's attempt to hold a three-hour warning strike on March 11 failed. The strike committees of medics, teachers, chemical workers, the "Kuzbass element", and some trade shops spoke in favour of the strike on March 11. Members of the Independent Miners Trade Union were against the strike and said that if it was organised they would agitate the population against it. If the teachers went on strike, they added, the coalminers themselves would sell bread, milk and other necessary items as retail sellers. Less than 20 per cent of the city shops are supporting the idea of the strike.

KEMEROVO. Directors of canteens and restaurants spoke at their meeting in favour of a strike demanding pay rises for their personnel. Upon discussing this information, the Council of Workers Collectives decided to appeal to the three-sided commission and suggest the following: to register anew all the acting trade unions, to proclaim trade union property to be state property, and to ask all the trade unions having claim on this property to appeal to the administration within the time stated by the law.

KEMEROVO. On March 10 the Co-ordinating Council of the Inter-Trade Strike Committee postponed the strike that had been called for on March 11. This decision was made after receiving a cable from the first vice-premier, G. Burbulis, in which he informed them that a government commission was going to the region. The commission arrived on March 11. It planned to meet with the regional administration, the city and the regional deputies, the Federation of Trade Unions, the Council of Workers' Committees and the Independent Miners' Union.

NOVOKUZNETSK-KEMEROVO. A government commission arrived in the region on March 13. During negotiations with representatives of the Council of Workers' Committees of Kuzbass and the Federation of Trade Unions of the region, a protocol of the tripartite commission of the Russian Federation on social and labour relations was adopted. The commission agreed that trade union demands to the Russian government reflect the real situation in the Kuzbass region and admitted that these demands are supported by the local administration as well as by the workplace collectives. At the same time, the commission stated that the call for an all-region limitless strike was supported only by the Kuzbass Federation of Trade Unions. But the leadership of the Council, the administration chief, representatives of other trade unions as well as collectives of the coal and metallurgical industries, while supporting the demands, stood against the strike. The most acute problem which must be urgently solved, as all the Kuzbass organisations agreed, is to eliminate the

differences in wages between the coal mining industry and other social and cultural spheres.

KEMEROVO. A session of the Council of the Kuzbass Workers' Committees took place on March 19. Problems connected with the liberalisation of coal prices were discussed. The Council adopted a resolution on their attitude to the official trade unions. It says: "Official trade unions and their Federation put forward populist demands which are unbearable for the country's budget. Thus they undermine the economic reforms and, in effect, deprive the people of any hope for a better life. The official trade unions are incapable of being reformed because their structures were created on an administrative and ministerial basis. They are deceiving people." The Council called for the creation of independent trade unions and for people to leave the official ones.

Pickets at the Committee

MOSCOW. The Central Committee of Independent Trade Unions sent a protest at the end of February to the Human Rights Committee of the Russian parliament and to the Minister of Science and Higher Education against the unlawful dismissal of employees of the "Orbita" engineering firm in Novocheboksinsk, both members of the Independent Trade Union. The Committee did not receive an answer so on March 10 the Independent Trade Union picketed the building of the Science Committee demanding punishment of the guilty and normal conditions for the functioning of the Independent Trade Union at the firm. After one hour the vice-minister, Bortnik, promised to study the situation and the picketing ended.

Russian Union of Workplace Collectives created

MOSCOW. The Constituent Congress of the Russian Union of Workplace Collectives was held on March 10-11. The statutes of the new organisation were adopted and governing bodies elected. Vera Lash became the chairperson. According to its leadership, the movement of workplace collectives now unites several dozen million working people. The Russian Union of Workplace Collectives entered the Inter-state Union of Workplace Collectives and may well become its base.

Government memorandum criticised

MOSCOW. A session of the Presidium of the Moscow Federation of Trade Unions was held on March 12. Chairmen of the branch trade unions took part in it. The main topic for discussion was the Russian government memorandum on economic policy published in the mass media. The memorandum was severely criticised. The session adopted an Appeal to the Working People of Moscow. The Federation is certain that by price liberalisation "the government wants to dismantle the existing economic system and create a new one based on the export of raw materials and energy". The government, the Federation insisted, does not take into consideration the fact that quite a number of enterprises in basic branches of industry will be closed after a new liberalisation of prices and a huge number of highly skilled workers and engineers will be dismissed. Besides, the government intention to freeze wages in

state enterprises, while prices are constantly rising, will lead to a catastrophic drop in the living standards of working people. The Presidium called on the Moscow workplace collectives to give their opinion on the government memorandum and to send a letter to Boris Yeltsin, the Russian president, and R. Hasbulatov, the speaker of the Parliament, asking them to state in the press their views on the memorandum.

A strike in the curriculum

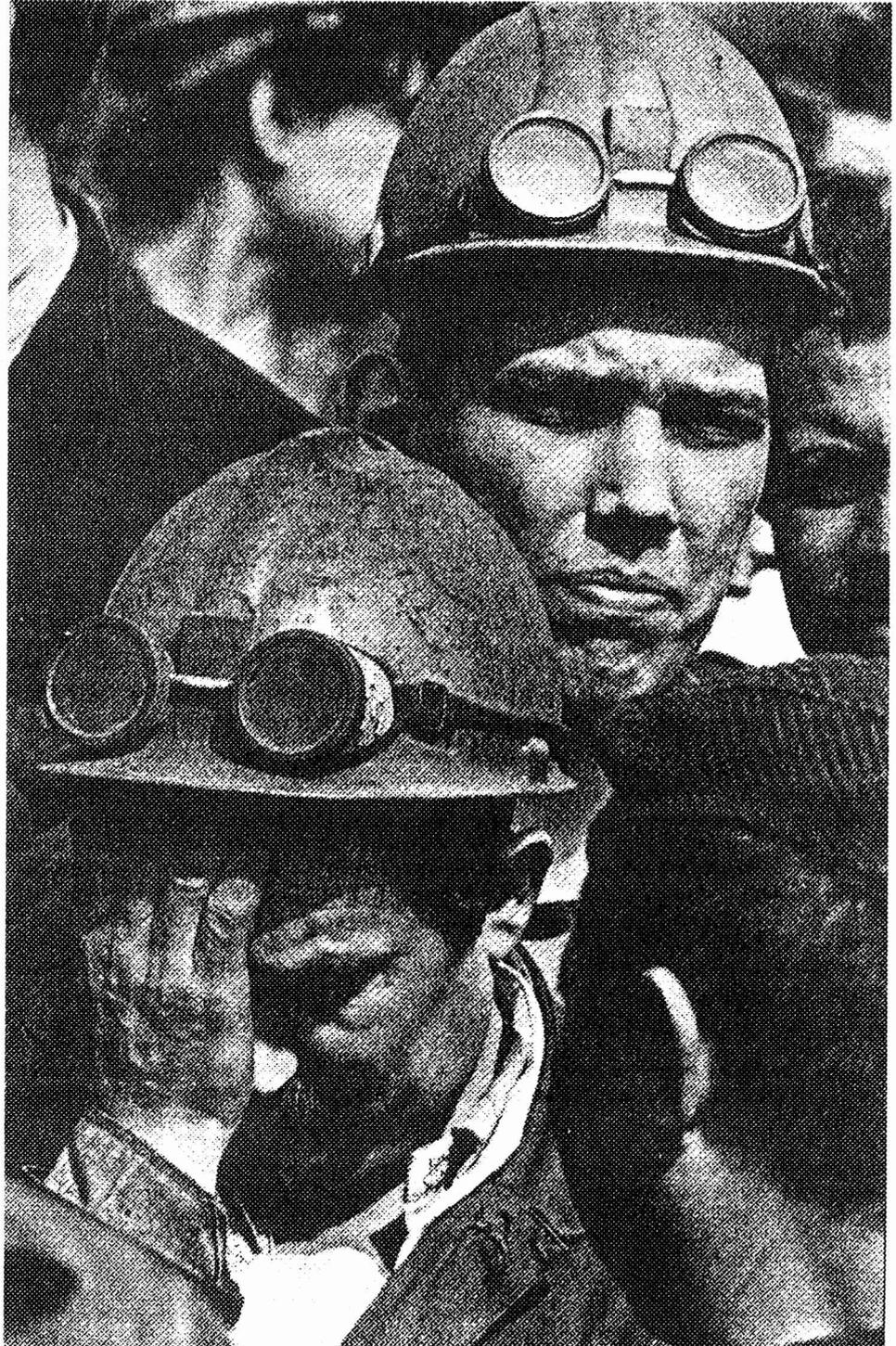
St. PETERSBURG. A session of the city Teachers' Strike Committee took place on March 13. It discussed the result of the strike of school teachers on March 9 and further actions. According to the Strike Committee about 100 school teachers' collectives took part in the strike (27 collectives on an official count) in 13 city districts. Fourteen schools went on strike in the Vyborgsky district. Workers at a number of kindergartens also took part in the strike. Many collectives were not quite ready for the strike. Because of this the limitless strike was put off for April 7. Trying to head off the initiative of the Strike Committee, the official trade union stated that it had been negotiating teachers' pay rises with the administration and that if these negotiations came to a deadlock they would begin a strike on April 2.

"The Worker" will support

PERM. A meeting of the social and political association "The Worker" took place on March 18. It decided to support the workers at the autotransport enterprises in the city who plan to begin an all-city strike on March 25. The drivers and workers demand pay rises, longer leaves and modernisation of their enterprises.

Trade union's special battalion

KEMEROVO. An independent trade union of the Special Battalion of the Patrol



Service was organised on March 7 and, on March 19, it joined the Council of the Workers' Committees. Out of 80 servicemen, 59 joined the trade union.

Take-off in question

MOSCOW. Sessions of the Council of Air-Crew Trade Unions took place on March 19-20. It confirmed the decision to begin a strike on March 25. Air-crews are trying to conclude a tariff agreement for 1992, to give their working collectives the priority right to privatise their enterprises, to fix the conditions for work and rest and to change the system of social security, taking into account the realities of the market economy. The government had promised to solve all these problems last year but did nothing other than issue declarations.

Who needs such reforms?

RYBINSK. The Workers' Union of the city decided to enter the Movement for Democratic Reforms as a collective member keeping its structure. Leonid Gubanow, the union organiser who is not active now due to illness, spoke against this step. He considered the methods and means of the reforms to be anti-social.

Administrative law by cable

MOSCOW. N. Makhlatkina, the chairman of the Russian Federation Social Security Fund, and Alyalina, the vice-chairman of the Russian central bank, sent a cable to all the Russian banks on March 19. In connection with the opening of the new accounts of the Social Security Fund, they want to close the account of the trade union and to direct the money to the new account. This means that all the money for working peoples' social security will be controlled by the Russian Federation of Independent Trade Unions as a monopoly. In connection with this, the Council of the Kuzbass Workers' Committee sent a cable to G. Burbulis, the state secretary, and Shokhin, a vice-premier, expressing their bewilderment at the government action. The same cable to the government was sent by Vorkuta and Inta Independent Miners' Trade Union. Miners of the Pechyora coal basin demanded that A. Sergeev, the chairman of the Independent Miners' Trade Union, should not sign the general agreement with the government until it cancels its decision on the fund.

Administration trick

ST PETERSBURG. The conference of the construction personnel of the city subway was held on March 19 to conclude a new collective agreement. The administration demanded its adoption as well as a new set of regulations without discussion, allegedly to facilitate the delivery of money from the bank to pay back-wages. The majority adopted the document. Fifty workers left the conference protesting at the administration's arbitrariness.

Repeating lessons

NOVOSIBIRSK. The city teachers' strike committee called a teachers' conference on March 20 which adopted a decision to begin a strike on April 6 demanding pay rises. One of the primary purposes of the strike committee is the creation of an independent teachers trade union. Seventy per cent of the city's schools sent representatives to the conference.

Tripartite commission signs basic agreement; some unions refuse

MOSCOW. A tripartite commission signed the general basic agreement on March 25. It provides for mutual efforts by the government and trade unions in the field of social insurance, employment and periodic revision of wages according to rises in the cost of living. It was signed by the Independent Miners' Union, the Air-Crew and Air-Controllers' Union, the Socialist Trade Union as well as the three branch trade unions entering the Russian Federation of Independent Trade Unions. Other trade unions joining the Federation refused to sign the agreement.



Striker from Vorkuta

UKRAINE

The strike goes on

KRYVYI RIH. The strike at the ore mines in the region goes on. The Ukrainian Independent Miners Trade Union called on the strikers to join the independent union. Three branches are already organised at five mines in the region.

A new trade union

KIEV. The Second Congress of the All-Ukrainian Union of Working People's Solidarity was held on March 13-15. One hundred forty-nine delegates from 21 regions of the republic took part. The main item on the agenda was a programme of action for the conditions during a transition to a market economy and privatisation. It was decided to transform the social and political union into a trade union. The congress adopted a resolution which stated the basic principles of trade union activities: voluntary membership on the basis of personal choice instead of an obligatory and administrative one; only hired labour is allowed in the trade union and not employers or their representatives; the priority of right and power of trade union locals as opposed to higher trade union bodies; a transfer to the system of personal individual social insurance.

The congress adopted resolutions on social insurance, the social and economic situation in the republic and on a number of other questions. It expressed a negative attitude to the formation of the Commonwealth of Independent States and to the formerly official trade union structures.

Government leave proposed

DONETSK. Government plans to shorten leave for miners have become known. In connection with this the Donetsk city strike committee distributed leaflets on March 18 saying that shortening leave at a time when a number of mines are closing cannot solve the problems of the coal mining industry. Instead of shortening our leaves, the miners suggested, Vitold Fokin's government should take unlimited leave.

Donetsk strike

DONETSK. A conference of 132 autotransport enterprises of the region took place on March 15 which decided to begin a strike on March 17. Members of the co-ordinating committee of the autotransport enterprises of the region reported on their attempts to get the Ukrainian parliament to reply to their previous demands. Representatives of the president, the parliament and the council of ministers refused to meet representatives of these enterprises. In reply the transport workers decided to begin a strike until their demands were satisfied and they saw government readiness to solve transport problems.

There are quite a few problems. The average wage in the region is only 1280 roubles and many workers received no wages for January. Fifty per cent of the vehicles in the region are obsolete and should be written off. Seventy per cent of oil and spare parts deliveries are "decentralised", which means that the enterprises get only 30 per cent from the state and the rest they have to find for themselves. Due to a lack of oil and spare parts, as well as to wear and tear, over 3000 vehicles are standing idle every day.

DONETSK REGION. On March 17 passenger and cargo transport was stopped in Donetsk, Gorlovka, Enakievo and other cities and towns in the region. All routes were cancelled except limited delivery to foodshops. Only hospitals and kindergardens were fully serviced. Drivers for the coal-mining association "Krasnoarmeysk" and "Makeevka" did not join the strike because most of their problems were solved. For example, the average wage of the "Makeevka" drivers is 6 000 roubles.

DOBROPOLYE. The concrete tube plant stands still due to the drivers strike as well as the city transport. The losses of these enterprises are counted in millions of roubles. Three ore-processing plants and four out of seven mines are standing still. Two of the mines have stopped completely; their names are "Ukraine" and "Russia".

ENAKIEVO. Striking drivers organised a meeting here on March 17. Coal miners of the local miners association also took part. They supported the demands of the drivers and expressed solidarity with them in the cable addressed to the president, parliament and prime minister of Ukraine.

DONETSK. The Independent Miners Trade Union of Ukraine adopted a resolution supporting the drivers on March 17. The resolution said: "The Union supports the desire of the workers to obtain humane living conditions themselves but not to wait for the generosity of the bankrupt government which does not want to solve ever-accumulating problems by negotiations."

GORLOVKA. An all-city meeting of the striking drivers was held on March 17. It adopted a resolution stating that if the government does not enter into negotiations the strike will take an all-embracing character. The resolution stated the main demands of the strikers: to raise the drivers wages 8-10 fold, pensions at 55 for men and 50 for women, lowering of taxes on transport enterprises from 86 per cent to 21 per cent, and to enlarge the list of professional disabilities for drivers. One of the main demands of the drivers is to conclude an inter-republic agreement within the framework of the CIS to ensure the normal

functioning of Ukrainian transport enterprises because 80 per cent of the enterprises that deliver oil, spare parts and other goods are from outside the Ukrainian republic.

DONETSK. A session of the city Soviet of People's Deputies opened on March 18. It considered its relation to the regional drivers strike and adopted an Address to the Supreme Soviet and to the President of Ukraine. The Address states that the strike is the result of many months of stalling by the government, that the problems of cargo and passenger transport along with the whole social and economic crisis are the result of the inconsistent, contradictory and ineffective work on the part of the Ukrainian government. This policy leads to impoverishment of the people, crisis of production, paralysis of enterprises. Deputies suggested that the government immediately form a reconciliation commission to discuss the drivers' demands.

KIEV. Negotiations of the striking drivers representatives with the Ukrainian government took place on March 19. As a result an agreement was signed which incorporated the basic demands of the drivers. The protocol was signed by representatives of the strike committee, the parliament and the government. But it is difficult to guarantee its fulfilment because there was not a single member of the government high enough to make a responsible decision.

On the whole, the results are not satisfactory for the drivers. Some members of the strike committee think that the strike should go on while others think the strike should stop until April 7 to see how the agreement is implemented. All agreed that it was essential to create as quickly as possible a union of drivers that was independent of the ministry and the administration.

Unemployment at hand

KIEV. The first meeting of the republic committee on unemployment consisting of representatives of the government, employers and unions, examined the statistics on job losses. At present in Ukraine 19 000 are officially registered as unemployed. These are mainly former workers of the research institutes. Unemployment among workers has yet to be examined. Specialists predict that by the end of the year the number will be half a million.

Not a penny to the centre!

KIEV. On 24 March Mr Kovalevsky, chairman of the Federation of Independent Unions of Ukraine, resigned. One can speak of a split in the Federation in as much as many regional and branch unions joining the Federation have come out against the central leadership and are not paying union dues.

BELARUS

SOLIGORSK. At 1.00 on 12 March the mines of the Belaryskali Association stopped work. The Independent Union of Coalminers of Belarus did not wait for the government commission which, according to the demands of the miners, was to conclude a general trade and tariff agreement. On 13 March, 4 pits stopped work. The refineries are working at low

capacity for the duration of the strike.

A meeting of strikers took place in a local stadium on 10 March. They decided to send delegations to the cities and towns of the region to clarify their position and organise pickets at the rail yards which transported their ore. The Belorussian Independent Miners Trade Union sent a cable to the Executive Council of the Interstate Independent Miners Trade Union on 19 March asking for financial and moral support. At the government's suggestion, a delegation of miners went to Minsk on 20 March to resume talks.

The administration of the association and the trade union of the chemical workers stated that the strike had become unpredictable. Ivan Yurgevick of the Belorussian Independent Miners Union called this statement a betrayal of the interests of the members they ought to defend. He indicated that the situation is fully under the control of the union leaders and the strike committees of the mines

Local miners union bodies from Vorkuta and Inta in Russia sent the striking miners 90 000 roubles. At the moment a commission is working on the temporary agreement between the miners and the government on the basis of which the pay of the miners would be raised by steps. The commission is headed by the vice-chairman of the state committee of industry.

Predictions are grim

MINSK. The Independent Trade Union supported the programme of economic development for Belarus that was presented this week. The programme envisages full economic independence for the republic, introduction of its own currency and speedy privatisation. According to the authors of the programme, because of non-fulfilment of deliveries from other CIS republics and because of the general economic recession, the biggest enterprises in the republic will stop working by May and there will be 700 000 unemployed.

MINSK. An independent trade union with 20 members was formed at the transistor plant.

LITHUANIA

"Enja" is right

KAUNAS. The workplace collective of the "Enja" plant staged a warning strike on March 10 demanding a delay in privatisation of the enterprise or the granting to the collective of 30 per cent of the privileged shares.

Limit on strikes

VILNIUS The parliament of the republic adopted a law on resolving labour disputes. According to the Workers Union the law fundamentally limits the right to strike.

Hunger strike threatened

SHUALYAI. A demonstration of workers living in city hostels was held on 17 March. Some workers indicated that they were prepared to begin a hunger strike over the abolition of rent subsidies. Rent for a room of 11 square meters is 300 roubles a month. The

Workers Union demanded the reconstruction of the hostels into living quarters over five years, the right of workers to buy their flats as private property, and the transfer of the hostels to the local municipalities.

Railway blocked

RADVILISHIKIS. The city railwaymen blocked the railway for two hours on 25 March. They demanded payment of wages going back three weeks. The city authorities demanded that they clear the blocked line or else they would call in the Lithuanian army. The strikers were not threatened. After a train carrying military equipment of the Russian army out of the country was stopped, the authorities tried to make a political scene. They were unsuccessful. The trains began to move only after a written pledge to pay the back salaries before the end of the month.

Under pressure

VILNIUS. The Lithuanian parliament on 26 March adopted an amendment to the law on privatisation which makes it easier for workplace collectives to buy out their enterprises. Deputies took this step under pressure of strikes and pickets at the parliament building by workers of the city communal services.

ESTONIA

Trade union voice was heard

TALLIN. A conference of the Association of the Industrial Trade Unions of Estonia was held on 17 March. The association unites trade unions of the power, electrotechnical, light, machine building and printing industries. It adopted a resolution expressing great concern in connection with the developing chaos in the economy which is putting 50 per cent of the Estonian population below the poverty line. The liberalisation of prices, without a compensation in pay, is a reform being carried out at the expense of the workers. The trade unions demanded a limit on the prices of food and a renewal of state subsidies to certain branches of industry. In addition, the citizenship laws were subject to severe criticism. On that same day the government declared the reintroduction of subsidies on transport, flats and communal services.

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Socialism in one factory?

(From *NeRV: Independent Workers Bulletin*, a St. Petersburg weekly, No. 3, 21 February 1992.)

There are very few enterprises in our city that are really headed by the work collectives. One of them is the leased enterprise, "Pargolov Factory". The experience of these machine builders will, I believe, be useful to other workers.

Previously, the power in the factory had been usurped by the director because the trade union committee and the council of leasees consisted of servile individuals that he had chosen, so these organs played no role at all. However, an initiative group of workers, unhappy with the situation, began to look for an alternative. They became acquainted with the trade union "Independence" and decided to organise one of their own.

In the summer, the new trade union led a successful strike. During the strike, without permission, a general council of the work collective was held at which it was decided to fire the director. Enterprise law allows for such a possibility. However, the functioning Labour Codes do not provide for this. According to advice from solicitors, an article about firing due to staff cuts was applicable. But the director was not permitted to work for the two additional months required by law, so the court gave him his job back.

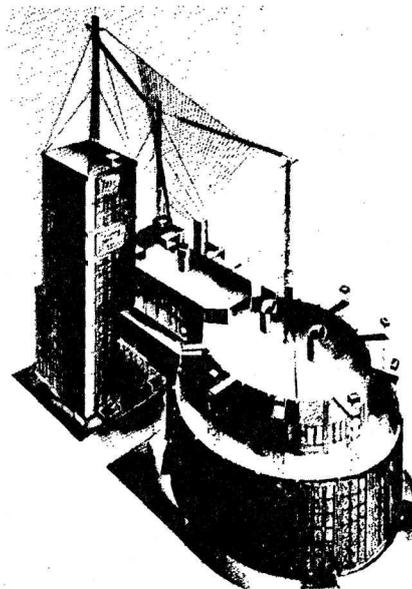
However, the workers were now conscious of their strength. The council of leasees declared that it would accept the decision of the court but again fired the director. The director then had no choice but to leave voluntarily.

After this, the council of the collective, composed of representatives of the workers, became the leadership of the enterprise. For the election, all the collectives were broken down into electoral divisions equal in size (around 70 persons). Every division elected a representative who could be recalled. The conference of the work collective had the right to dissolve the council. The administrator of the enterprise is now hired by the council and subordinate to it.

How are things going under this new system of administration? The situation can be described as follows: more socialism and less entrepreneurialism. The workers have considerable social security. They are not threatened with layoffs. The council follows attentively the indexation of earnings. Decisions concerning the life of all the workers are taken by mutual consent. There are two trade unions in the enterprise, the independent trade union and the old reformed state union.

However, the enterprise is less flexible and it is difficult to adapt to the fluctuations of the market. Right now, there appears to be no other options. The collective is thinking about privatisation. But how could this take place? We will wait and see.

(Translation by *Bulletin* of US-Soviet Workers Information Committee)



Palace of Labour, Vesnin brothers,
1922-23

Russia doesn't need Romanovs

From *Molniya*, "a workers movement newspaper", November 1991.

(An interview with Countess Eleanora Trubetskaya, a member of an old aristocratic Russian family, appears under the title "Countess Rebukes Democrats and Monarchists". Included in the article is the following telegramme which she sent to Prince Vladimir Romanov, heir to the Russian throne, who was then visiting St. Petersburg.)

Since the blessed death in 1676 of the Tzar Alexei Mikhailovich, foreigners were ruling Russia, and that is why it perished.

Everything happens once: Christ appeared once, eternal Rome was once, the house of Romanovs was once...

There's no going back to the past. The words of the Bible "be simple, as a child" are not yet realised. Nobody is yet as simple as a child.

The Revolution of 1917 put an end to the rule of foreigners in Russia. It gave people education; it put Russia into space.

Russia does not need the Romanovs; it needs truth. Your visit is too late. The train left a long time ago.

Countess Eleanora Trubetskaya

Moscow, November 7, 1991.

GERMANY

Trade unions in the ex-GDR

by Renate Hürtgen

Numerous studies of the events in the GDR in the autumn of 1989 point out that the big upheaval or "Wende" did not take place in the factories or as a result of actions by the working class. The citizens' movement (*Bürgerbewegung*) remained outside the factory gates. The left's hope that the anonymous street demonstrations would lead to action in the factories was not fulfilled.

In the following article I don't attempt to answer the question why the citizens' movement and the labour movement didn't come together at this decisive moment when the institutions of power were collapsing like a house of cards. I will, however, look at the role played by the FDGB, the East German trade union federation, in 1989. I will also look at the attempt to establish independent trade unions and at the trade union situation today.

Historical background

In the Soviet Occupation Zone after the war the trade unions were organised much more rapidly than in the western zones. The Free German Trade Union Federation (FDGB) was established in February 1946. The Bitterfeld Conference in the following year saw the complete subordination of the union federation to the communist party, the SED. Like the party, the trade union was extremely centralised, with the Federal Council controlling not only all union activities but also the distribution of finances. The ordinary members of the union were effectively disenfranchised, a fact which was to play a crucial role later in 1989 when the FDGB disintegrated.

Centralisation and subordination to the party were the means which made it possible for the unions to play their real role in GDR society, which was to implement the economic plan. The unions gave up the right to strike and, during the forty years of its existence, did not lead any workers' struggle. Wages, hours and conditions were laid down by the government without any resistance from the unions.

In other words, the FDGB saw itself as a harmonious element in a national economy organised by the party and state. The vast majority of its 8 million members had no illusions about the real function of the FDGB but in 1989, as in the previous forty years, there was no organised resistance to this from the side of the workers. In 1989 the workers adopted a wait-and-see attitude; they demonstrated no loyalty to the union; they distanced themselves, but they took no initiative.

In the discussions that took place in the autumn of 1989 there was a great deal of confusion about what role the unions should play, whether entrepreneurs could be union members, whether unions should be represented in parliament, and so on. The mass of the workers at this time had no awareness of themselves as a social class, no experience of class

struggle and no confidence in themselves as wage labourers in a conflict with employers.

FDGB in the transition

"Working diligently alongside the SED and under its leadership we will make our contribution to the transition..." (Statement by the FDGB leadership, 31 October 1989)

The story of the disintegration of the FDGB between the summer of 1989 and its final dissolution in May 1990 demonstrates the whole dilemma rooted in the union's function. More than any other organisation or party it remained loyal to the SED to the bitter end and alienated itself from the mass of the population.

When the whole country was seriously disturbed by the flight of thousands of its citizens to the West in late 1989, the FDGB newspaper, following the official line, announced that it "was shedding no tears" for these people. When the police attacked the big demonstrations on the GDR 40th anniversary, the union defended the police and denounced the demonstrators as enemies of the GDR. When rank-and-file metal workers from a big enterprise in Berlin addressed a critical open letter to the union leadership they were ignored. During this period the citizens of the GDR were actively questioning the policies of the government and the various official parties. But this found no echo inside the FDGB.

How did the 8 million members of the union respond to this obvious failure of their leadership? Beginning in November 1989, there was a massive exodus of members from the union. Among those that remained, many did not pay their contributions. In the factories the workers were becoming increasingly angry about the role of their union. One workers' collective in the Berlin printing industry wrote: "We are outraged and amazed over the opportunism of the trade union leadership. You've had adequate time to respond to the problems of our time. The revolution didn't begin until November 7... We hereby inform you that we are suspending our membership of the FDGB."

After November 1989 there were also many scandals revealed in the press. Corruption involving union officials was uncovered and protests in the factories forced many such officials to resign. The FDGB leadership, under pressure of the membership, were forced to reveal more and more about its financial dealings. Millions of marks had been given away to the party's youth organisation and the union leader, Harry Tisch, had been handing out money left right and centre to his relations and friends. A special commission was established to investigate corruption and abuse of office in the union and when this commission made its report to a special congress of the union in February 1990, there were tumultuous

scenes on the congress floor.

It is an interesting fact that the first wave of strikes that broke out in the GDR was in response to these revelations about corruption and about the high life that the union officials had been living at the expense of the workers.

Before looking at the attempt to set up alternative unions or an alternative workers' movement in the autumn of 1989, it is important to remember that, in the years leading up to this, there had been no opposition movement in the GDR which had any interest in the situation of the workers. The various peace and human rights groups had no links whatever with the workers in the factories.

Movements for change

Looking back, however, at the events of 1989-90, one can identify three different movements for change within the trade unions. The first of these was a fairly strong movement within the FDGB itself which made frequent and quite strong demands for reform, these demands being directed mainly at the central leadership bodies.

The movement had its strongest base among the teachers and students at the Trade Union College in Bernau which, at an early stage, issued a public document titled "A Turning Point in the Trade Unions". The leaders of the movement came from particular forces within the various trade unions who organised themselves very rapidly and whose goals were the dismantling of the centralist structures of the FDGB, the creation of decentralised, autonomous structures and financial independence from the union federation. At the FDGB's special congress at the beginning of February 1990, the IG-Metall and the IG-Transport mounted a two-day battle for greater independence for themselves. The outcome of this battle was very indecisive and it wasn't until the resignation of the FDGB leadership in May 1990 that these unions achieved their goal.

Factory councils

A second current which also attempted to bring about changes in the factories was the movement for factory councils. This was indeed something quite new in the GDR. Apart from a brief period between 1945 and 1950, factory councils did not exist in GDR enterprises. There was therefore a real lack of ideas and information about what role factory councils could play and there was hardly a factory assembly at which the pros and cons of this idea weren't argued out.

The difficulty in arriving at a clear formulation of this project had to do with the fact that the name "factory council" can refer to a variety of quite different conceptions. There were factory councils on the West German model (co-determination); factory councils which went beyond the limited co-determination rights of the West German model; and a conception which based itself mainly on the council model of the German November revolution of 1918-19. The concept of factory council also began to be used quite a lot in the various parties and in the citizen's movement, but with a variety of meanings.

The PDS was in favour of an improved version of the West German model, the United Left favoured the "classical model" of the November revolution, while the DGB (Deutsche Gewerkschaftsbund - the West German federation) favoured the "tried and tested" West German model.

It is difficult, at the present moment, to know how much support there was in GDR enterprises for a radical council movement. Between November 1989 and February 1990 a number of factory councils were established but those were then integrated into the West German system which was later established.

Independent unions

A third current within the union movement wanted to establish independent unions outside of the FDGB. At the end of October 1989 an Initiative for Independent Trade Unions was established in Berlin. The Appeal for the establishment of this "Initiative" was read out by the playwright Heiner Müller at the big protest demonstration on 4 November 1989 in Alexanderplatz in East Berlin. It was the first and last time that a well-known intellectual addressed directly the interests of the GDR working class. Later many of the intellectuals were disillusioned and turned their backs on the masses when the latter began to demand West German living standards.

The Initiative opened an office in Berlin and there were meetings with numerous representatives of independent rank-and-file groups who came to discuss their experience and exchange information. The discussions centred around whether it was possible to reform the FDGB, how the unions had to be made independent of the party, how to put pressure on factory managers and what a rank-and-file democratic trade union movement would look like. By January 1990 about 250 such representatives had joined the Initiative, each representing groups of anything between 5 and 200 workers.

If one looks at the many appeals, lists of demands and founding documents that came from the factories during this period, then it becomes clear that, of the many concerns expressed, it was those of the white-collar workers that were dominant and it was these white-collar workers who were the real activists during the period of transition. There were also quite different sets of ideas about how workers' interests could best be defended. Only a small proportion of these documents supported the policy of the Initiative for Independent Trade Unions.

From FDGB to DGB

In March 1990 this whole process came to an abrupt end. The rank-and-file groups dissolved themselves or joined the West German unions. What had happened and what was the overall situation in the unions in the spring of 1990?

The FDGB was preoccupied with the replacement of officials and reorganising the regional and local structures. In the factories it was no longer functioning. There was no longer any belief that the FDGB could be reformed. For the workers in the factories the situation was becoming more and more serious. The old factory managers were behaving in a completely arbitrary fashion and were taking advantage of the vacuum that existed to further their own interests. The Modrow government had no interest in a democratic mobilisation of the workers in the factories and the citizens' movement was not only indifferent but increasingly hostile to the mass of the workers who were now calling for unification with West Germany.

The fatal blow against the rank-and-file groups, however, came from an entirely different direction. At the end of February 1990 the first unofficial representatives of the West German unions made

their appearance in the east, many of them already with their membership forms. In March 1990 the West German DGB rejected any arrangement with the FDGB and called on the individual unions in the east to affiliate to the western federation. Willingly or not, the activities of the East German rank-and-file groups came to an end; there was no point in trying to resist the power of the DGB.

DGB extends its power

In general, the role of the DGB during the period of upheaval in the east was a shameful one; its only interest was in extending its own power. In the early days, when it was still unclear whether the FDGB would carry out an internal reform, both DGB and FDGB were unanimous in condemning the formation of independent unions and the DGB leaders were making friendly overtures to the FDGB. But when it became clear that the FDGB was beginning to lose its control of the situation, the DGB moved in and began the battle for members and resources.

In this situation the Initiative for Independent Trade Unions, in the summer of 1990, changed both its role and its name. Largely as a result of discussions with a large number of left-wing trade unionists and factory council members from West Germany, the group renamed itself the Initiative for Critical Trade Unionism. Developments in eastern Germany soon confirmed the need for this kind of activity.

Initially the level of enthusiasm among East German workers for the new West German unions was very high - the level of unionisation was very soon almost 60 per cent, a level only dreamt of in the west. But this enthusiasm didn't last. Part of the reason for this was the passive attitude of the workers; they saw the new unions as something similar to a well-organised service. But when it became clear that the unions had nothing "to offer", apathy set in.

Negative role of DGB

But there were other reasons as well for the growing mistrust of the West German trade unions, one of the main ones being the way the DGB is structured and the way it operates. The whole effort of the DGB was directed towards transferring its structures and creating its apparatus in the east from the top down.

As in the west, the unions concentrated on getting "their man" on the factory council. So the DGB put a lot of resources into training personnel for the factory councils but paid inadequate attention to recruiting and training shop stewards. Since the function of most of the factory councils in the east is to make the closure of enterprises "socially bearable", the effect of this on the workers is disastrous. Added to this were the competition for members and the organisational wrangling among the different unions over territory.

No strategy

What the West German unions completely failed to do was to offer a strategy for dealing with the rather novel situation that existed in the ex-GDR. The development of capitalism in the east and the destruction of much of the old economy called for a strategy, a trade union response, which was different from the day-to-day practice of the union in the west, although still within the framework of trade union-

ism. But the DGB had no such strategy. After the wage settlements of early 1991, involving IG Metall and the public sector union ÖTV, a large number of workers left the unions and there was a widespread feeling of resignation.

The DGB's concentration on building its apparatus from the top down meant that there was no union organisation at all in many enterprises. Leadership decisions were not communicated to the rank-and-file. Workers were outraged by the way negotiations were taking place over their heads and without consultation. At the IG Metall office in Frankfurt, for instance, hundreds of protest letters were received demanding that the union negotiations be open and public.

The results of these negotiations, which fixed wages in the east at a certain percentage of wages in the west, provoked even greater anger in the east. The concentration of the issue of wages also demonstrated the unions' complete lack of any adequate strategy. With official unemployment figures nearing 20 per cent and GDP falling by 45 per cent in two years (Bundesbank Report July 1992), any conception of "fighting for a bigger slice of the cake" is totally inadequate. Unless the unions fight for more basic structural changes which go beyond the union's normal catalogue of demands, there will be very few workers left to enjoy the higher wages.

Recent events

One recent series of events in the east has demonstrated very clearly the lack of a trade union policy. The factory councils, especially in those enterprises organised by the Treuhand, have begun to operate independently. Since the unions have failed to provide any role for the factory councils other than to act as midwives of closure, the councils have established a national network. Although the DGB leadership and individual unions expressly disapproved of this, the councils organised their first conference in Berlin in June 1992 at which experiences were exchanged and demands were formulated.

This factory council initiative, as well as the spontaneous strikes among bus drivers and nursery teachers in East Berlin in support of fellow-workers in the west, demonstrates the dilemma facing the unions in the east. The unions don't have the organised base in the factories which they would need to push through their demands. The unions have neglected the building of a strong layer of shop stewards. In many enterprises the union doesn't even exist. The union base is developing in a spontaneous, uneven and uncontrolled manner, with rank-and-file groups distrusted by the union leadership.

The working class in the ex-GDR is in a difficult situation. After two generations in which the workers had no experience of struggle with a social opponent, they are only beginning the process of rediscovering themselves as a class. Fifty-year-old bus drivers on strike in the east are experiencing their first workers' struggle ever.

But what role the unions will play in the east in resisting the aggressive policy of capitalist restructuring is still, I believe, an open question.

(An earlier version of this article appeared in the Austrian magazine, *Ost-West GegenInformationen*, No. 1, 1992. The translation is by L.FEE.)

Polarisation increases in Poland

Documents and interviews, introduced and translated by David Holland

The coalition government of Hannah Suchowcka is, at the time of writing, the latest Polish administration to attempt to ride the tiger of rising social discontent and in particular rising militancy amongst industrial workers, whilst pushing forward the project of large scale privatisation and completion of the transition to capitalism.

Suchowcka herself comes from the right wing of the Democratic Union, the secular liberal party of the post-Solidarity intelligentsia. She personally supports restrictive legislation on abortion and heads a government in which social portfolios have been given to the hard right Union of Christian democrats, whilst economic portfolios are held by economic liberals.

Political opposition is headed by the extremes of the spectrum: on the right by the demagogic Confederation of Independent Poland and on the left by the post-communist Social democracy of the Republic of Poland. The post-Solidarity left, still reeling from its electoral humiliation in the parliamentary elections in October 1991, is attempting to re-group and take the initiative by splitting the SdRP.

It is doing this within a continuing climate of hysterical accusations and counter-accusations of past involvement with the communist security services, in which 'de-communisation' threatens - that is purges, sackings and perhaps imprisonment of former communists and their agents. This has reached absurd heights, in the course of which it has been uncovered that President Walesa and Zdzislaw Najder (former Director of the Polish section of Radio Free Europe and a close Walesa aide) were both at some point compromised with the old regime's security apparatus.

Five bills proposing de-communisation measures are at present with the Sejm. It seems very likely that some of these proposals will reach the statute book - not least because of the electoral pressure exerted by the SdRP on the post-Solidarity forces. As Leszek Miller, the leader of the SdRP parliamentary group, has pointed out, if the last election had been fought under the terms of the new higher thresholds for election, then his group would be increased by nearly half to 85 members. President Walesa, in a recent interview with Nicholas Bethell, explained that premature parliamentary elections would be unwise since the Communists might win them.

Left regroupment

Much space is devoted in this issue of Labour Focus to material documenting these efforts at re-groupment on the left and the continuing influence of a climate of anti-communist witch-hunt in hindering this process.

Whatever the abuses of the past, the left must be completely opposed to such witch hunts. On the one hand they are exploited by unscrupulous right wing

demagogues. On the other, the threat of de-communisation prevents political differentiation in the post-communist camp, which includes for example, new millionaires, who are profiting from the new regime and would support the banning of strikes and the dissolution of the workers' councils to assist the transition to capitalism, but are afraid of being penalised for their communist pasts. On the other hand, the post-communist formations also include many people who must be part of the future Party of Labour, which is needed in Poland.

The latest project of re-groupment on the post-Solidarity left, the Union of Labour, is undoubtedly a significant step towards the creation of a credible Polish social democracy. It appears to be the result of a political coup executed by Ryszard Bugaj and others in Labour Solidarity (see Bugaj's letter to Labour Solidarity branches on page 37).

Although the Union of Labour has created considerable interest and support it does not seem likely to offer the kind of principled leadership to the Polish labour movement that is so badly needed.

Already, one of its parliamentary deputies, Aleksander Malachowski, has spoken on television about the need for pressing ahead with de-communisation and attacking those involved in the recent strikes. We print here an interview with Ryszard Bugaj, which gives an accurate flavour of the very moderate social democracy, which he is attempting to market.

Strike wave

Amongst organised workers themselves there is profound turmoil. Successive waves of generally successful wages strikes have broken out, concentrated in heavy industry (cars, copper and coal mines). The Solidarity Congress in June gave President Walesa a stormy reception (which was broadcast on live television, on the insistence of delegates). This accurately reflected growing impatience amongst the Solidarity rank and file.

However the Congress also adopted a firmly 'non-political' stance, which, under the Krzaklewski leadership, effectively amounts to tacit support for the government. Many militants are defecting to more militant competitors, such as the workerist and anti-Walesa break-away union, Solidarity '80, or the old communist OPZZ federation.

We print in this issue the demands of the 'National Negotiating and Strike Committee,' which concentrates the most political expression of the strike wave confronting the entire programme of transition to capitalism. The support of the militant peasants' organisation 'Samoobrona' (Self-defence) is interesting, especially in the light of talk of the need for a worker-peasant alliance from Lepper, one of its leaders.

Whilst this mood of opposition and demands for state intervention to support Polish industry has a

wide resonance amongst the rank and file, this mood is not at all unambiguously leftist in character.

It is subject to manipulation from various sources: Walesa's supporters in the former Solidarity 'citadels' in heavy industry may exploit discontent to advance the President's own ambitions to establish a populist authoritarian regime. Walesa has declared that it is not for him, as head of state, to take sides between the government and discontented workers, whilst he engages in various manoeuvres such as the Open Letter to Solidarity members appealing for reconciliation.

The Network of Factory Commissions groups large state enterprises and made demands for the abolition of the payroll tax (popiwiek), for example, at its own congress in June. Its representatives at the Solidarity National Executive in Gdansk in August called unsuccessfully for a National Strike Committee to be established to co-ordinate actions.

The Confederation for an Independent Poland is sometimes involved in the strikes, and loudly blames the sinister machinations of communists. Fundamentalist Polish nationalism and anti-semitism occasionally surfaces in Solidarity '80 and Samoobrona.

There can be no doubt, however, about the pressure being exerted by the rank and file. At the time of writing, both Solidarity and Solidarity 80 have stepped back from proposals to call a general strike. Solidarity and Walesa are calling for the negotiation of a "social pact". General protest actions organised by the unions are going ahead. In the Lubin mining and metal-working complex, workers are preparing an "active strike" in which workers will resume production under the control of the strike committee. In the Tychy FSM car plant, workers have occupied the administration block, blocking entry to a delegation from FIAT.

The Suchowcka Government and its allies in the media and the political establishment have loudly denounced the strikers as representing a subversive challenge to democracy. In the 10th August edition of *Gazeta Wyborcza* for example, Hannah Suchowcka is quoted denouncing the immorality of the strikes and goes on to say: "The slogan of a political strike cannot be accepted. In a democratic state, such a strike becomes a strike against society."

Privatisation

All this is taking place against a background of movement towards mass privatisation and rapidly rising unemployment.

Chronic delays have wrecked the privatisation programme. As elsewhere in Central Europe, aspirations to create a viable capitalist class conflict with the need for political legitimacy in disposing of national assets. Further difficulties arise from the need to carry the support of enterprise workers' councils, which enjoy juridical rights tantamount to co-ownership of their enterprises in the Polish economy. Support by the factory management and the work-force as a whole are also politically and practically desirable.

Plans at present being executed are for the 200 or so firms already selected to be in the first wave of large enterprises to be privatised by shifting them into the control of about ten closed end investment funds. All Polish citizens over 18 will receive one share each. Trading will not be allowed for some time.

The UN Economic Commission for Europe expresses itself with masterly understatement on this



Prime Minister Suchocka

process as follows:

"The Polish mass privatisation approach places enormous faith in being able to attract western trained managers against a fee and incentive scheme that will sufficiently awaken their abilities to restructure the firms entrusted to their fund on a competitive basis... Lack of acquaintance with Polish-type socio-economic conditions may well lead to decisions that are ultimately not in the interest of Polish society." (*Economic Survey of Europe 1991-92* p.237)

Unemployment

Since the beginning of the 'transformation' programme, unemployment has increased steadily from 0.3% in January 1990 to 6.1% at the end of 1990 and 11.4% at the end of 1991. It is anticipated to reach 18% by the end of 1992. The fall in out-put however has been significantly greater (25% in 1990 for example), so much greater shakeouts are likely in the future. Mass lay-offs accounted for only about 23% of the unemployed at the end of 1991, although they are becoming more common.

Unemployment is concentrated amongst young people and women. Long-term unemployment amongst young people is becoming institutionalised, with all the associated ills seen in the West, such as rising crime and abuse of drugs, such as injected opiates home-brewed from poppies. Women are the clear victims of a sexist preference for defending male wages.

This situation is compounded by the sharp restriction on womens' social rights, for example the anti-abortion legislation, which received a successful second reading in the Sejm on 25th July. It will come back to parliament for debate in the Autumn and stands a good prospect of being enacted.

Much depends on whether the resistance of the Polish working class to the present and impending attacks finds an adequate political articulation. This issue of *Labour Focus* tries to cast light on the continuing and inevitably highly imperfect development of that process. ■

Union of Labour Founding Declaration



Preparatory Declaration for Initiative Meeting of 7 June 1992 in Warsaw at the University of Warsaw.

1. We are convinced that a modern European country cannot operate normally without a strong and effective party, representing the interests of the workers and we therefore declare our intention of working towards the creation of one. The road towards the creation of political representation of the world of labour will involve overcoming organisational divisions which have prevailed hitherto. It is necessary to create a new political force, based upon the tradition of struggle for democracy in Poland, which will struggle for the interests of the workers, and for a new form of social system which is favourable to them.

We, the undersigned, express the intention of doing this and undertake the initiative of creating the Union of Labour.

We regard our initiative simultaneously as an occasion for overcoming the prejudices which exist between people with similar social and political views, stemming from diverse political traditions and experiences. We, the undersigned, believe that such a meeting is possible, a meeting the goal of which is not a momentary political success, but the construction of a democratic and left wing alternative to the prevailing right liberal political orientation.

We consider that the only real chance for economically weaker social groups in Poland is an effective organisation created by these groups and acting in their interests. The right wing offensive should be met, not with baseless promises, but with a consolidation of the world of labour and a concrete programme of systemic reforms.

2. We reject the bureaucratic programme for the construction of capitalism, which rests upon neoliberal dogmas. We have paid too high a price for the building of real socialism, to subject ourselves to experiments once again. Poland should develop itself, not according to imaginary models, but in accord with social aspirations, resting on the existing material resources and activity of large social groups. We regard as a dangerous illusion a programme which has led to the massive impoverishment of society. In contemporary Europe, in a country with great traditions of social resistance, the realisation of these kind of plans is opening a period of sharp conflicts, leading to inevitable restrictions on democracy.

We oppose to such visions a real programme aimed at minimising conflicts, opposing poverty, limiting social inequality and effective struggle against unemployment. We consider the inadmissibility of the creation of lasting extremes of poverty and destitution as the fundamental condition for escape from a vicious circle of underdevelopment.

3. Only parliamentary democracy provides all social groups with the possibility of formulating and

fighting for their interests, acting to improve their own economic position. It also creates a mechanism for reconciling opposing interests. That is why we are against tendencies to restrict democracy, which open the road to a new expropriation of society. A important criterion of democracy is the strict observance of civic rights and freedoms, including freedom of conscience and religion. Therefore the principle of the neutrality of the state in questions of philosophic world view is of immense importance.

The maintenance and development of the sovereignty of the Polish state is still a goal which has not been fully realised. In the contemporary world the basic condition of independence is an efficient economy and strong links between citizens and their state. Taking account of this, Poland should beware of new economic and political dependency.

4. We support a social market economy, in which all types of property have equal validity. On the one hand the state must assume responsibility for fiscal stability in a market system. On the other hand it must also assume responsibility for the situation on the labour market, for social security, for preventing excessive material differences, for the defence of the natural environment of humanity, for the education of the younger generation, for a wholesome society and the development of national culture. In circumstance of a profound collapse of production, a duty also falls upon the state to carry out an active anti-recession policy and in the future also policies designed to produce economic growth and the restructuring of the economy.

A fundamental change in attitude towards state enterprises, which are currently being discriminated against, is indispensable. We are against the kind of financial policy, which leads to the destruction and selling off for nothing of national property. We support the demands of the agricultural interests, calling for a realistic long term programme for the restructuring of Polish agriculture to be worked out.

5. We consider that the transformation of property rights in the economy is a fundamental systemic element in the reconstruction of the country. Privatisation should not however be a bureaucratic operation. It must take into account the initiatives and interests of the workers as well as other social groups. We regard the balance sheet so far as decidedly negative. The benefit to the national Treasury has been negligible and the social costs too high.

Privatisation is constantly more dependent on the seizure of public property by numerous individuals plundering Poland. There are insufficient means of defending public assets. Further privatisation requires legislation and above all some steps to overcome the recession. Only if these requirements are met can state enterprise property reach its true market value, which would justify the act of sale. The so-called programme of universal privatisation is

going in absolutely the opposite direction. It will inevitably lead to the disinheriting of the huge majority of the population.

6. A profound reorientation of the reform programme is indispensable if economic and social catastrophe are to be avoided. The will for such a change is lacking in the political parties currently dominating the scene and in parliament too. This compels the social groups most sorely stricken with the effects of economic policy to exert organised pressure on those governing the country. The significance of the trade unions and the political representation of the

workers' interests in the struggle for a new social order becomes paramount once more.

The task of presenting an alternative programme to society is now the order of the day. The programmatic initiatives and policies which have been put forward hitherto require a qualitatively new expression. A programme of activity is needed to counteract the grinding recession, the ruination of personal property, the opening up of wide social differences and the plundering of the country. This programme must provide the opportunity for economic growth and the raising of the level of civilization of the society.

Union of Labour Statement

The following Statement by the Union of Labour was published in the party Bulletin on 10 June 1992.

The Founding Conference, which created the Union of Labour, commenced the process of integrating the left from various backgrounds. It declared its support for a social market economy. In the resolution adopted on the 7th of this month (June 1992) at the founding of the new party, it was asserted that:

"Three years ago the Poles voted against a system created under the diktat of our eastern neighbour. We do not however support the creation of a system recalling nineteenth century capitalism, in which the dignity of the workers is degraded and their material welfare catastrophically threatened."

The people who have created the Union of Labour come from a variety of backgrounds: The Social Democratic Movement; the Labour Solidarity association; the Wielkopolski Social Democratic Union and former activists of the 8th July Movement, which began the process of internal disintegration of the PUWP (Polish United Workers' Party).

A party is therefore being established, which is breaking away from the former divisions between post-Solidarity and post-PUWP groupings. It breaks too with the tradition of pushing former PUWP members with clean hands into a communist ghetto, such as the SDRP (Social Democracy of the Republic of Poland). We consider that the time has passed for political divisions on the criteria of previous organisational affiliations and that account should be taken now rather of present social and political positions.

The people creating the Union of Labour consider that the continuous worsening of the economic situation of the country, the arrogance and irresponsibility of a large part of the political groupings and, above all, the intensifying sense of powerlessness of individuals and social groups, are creating the threat of a blind social explosion. Responsibility for this state of affairs rests with the spokesmen of extreme right-wing liberal ideas.

If the whole process of reform is not to collapse, it is necessary to win social acceptance for it. Poland will not allow itself to be "Europeanised" in spite of itself. A fundamental reconstruction of the social and economic programme is therefore needed. To this end, we must draw upon the experience of the developed western societies, where social welfare has been achieved thanks to the active role of the state in the economy and the carrying out by the state of

a conscious and thought-out policy in the most important areas.

The Union of Labour associates itself with the experience of social democratic governments in western Europe, which have proved in practice that it is possible to reconcile economic efficiency with the requirements of social equilibrium. Indeed it has even been shown that this very course can be most effectively pursued by an economy in the most difficult periods of crisis, as has happened in Great Britain, Austria, Spain and the Scandinavian countries.

The first Congress of the Union of Labour will take place on the 14th-15th November 1992. In the intervening period we will establish organizational structures in all regions of the country. In the forthcoming weeks there will be regional (Voivod) founding conferences in Krakow, Bialystok, Kielce, Lodz, Poznan and Warsaw.

Until the election of a statutory leadership by the Congress, the work of the Party will be directed by the Provisional National Council.

The Provisional National Council, at its session on 7 June 1992, appointed a Praesidium made up of the following members:

Ryszard Bugaj (Warsaw) Zbigniew Bujak (Warsaw)
Piotr Czarnecki (Krakow) Wojciech Kwiatkowski (Wloclaw)
Aleksander Malachowski (Warsaw) Janusz Szymanski (Bialystok)
Tamasz Nalecz (Warsaw) Wieslaw Ziolkowska (Poznan)
Wojciech Borowik ((Warsaw) Ryszard Faszynski (Warsaw) Piotr Marciniak (Warsaw)
Tomasz Bartoszewicz (Warsaw) Magdalena Nowakowska (Szczecin)
Artur Smolko (Bialystok) Andrzej Todorski (Suwalki) Janusz Tomidajewicz (Poznan)
Jacek Zurakowski (Krakow)



Social Democracy in Poland

Interview with Ryszard Bugaj

(Interview with **Ryszard Bugaj**, leader of the Union of Labour conducted by **Eliza Olczyk**; translated by **David Holland**)

Solidarity - Two years is enough." The Bielecki Government ran into slogans like this. Here and there can be heard - not always in jest - "Bring back the Communists," although obviously there is no going back to the former situation. Liberal and right wing governments have met with sharp social criticism. Do you not think that with these kinds of feelings abroad, we will have social democratic governments before long? What does the word socialism mean today, in your opinion?

I will begin with an anecdote. During an open discussion, a young PSP (Polish Socialist Party) activist accused me of being ashamed of using the word socialism. I replied to him that I would stop being ashamed of using it as soon as its meaning could be explained. This is still not possible.

In my opinion, in Poland today, 90% of people think that socialism is identical to communism. This is what we are dealing with. I think that it will persist for a long time. At present we should not be trying to discuss socialism. The most we can do is to open discussion on what social democracy is - indeed such associations are a bit closer to reality.

What proportion of Polish people think that Mitterand is a social democrat, that Brandt and Schmidt were social democrats? The word socialism just suggests a return to communism.

Public opinion

However people are accustomed to social protection and if someone tries to take away from them some kind of benefit a fearful outcry is set off. Remember what a huge protest was set off not long ago when there was an attempt to target family allowances.

Social attitudes like that are borne out by public opinion surveys. The most recent research in 1992 shows that Polish public opinion is distinctly to the left. There was a time when people conceived of capitalism in lyrical terms. They thought they could set themselves up nicely and everything would be straightforward. Certainly, they now see that capitalism is not like that. What is more, the version of capitalism that we are building in Poland resembles the Latin American model ever more closely.

Today this inclination to the left is so strong that it is even possible for example that a programme of market reforms, which social democrats could support, let alone an extreme liberal programme, will run into resistance from certain social groups.

So on the one hand there is a strong tendency to left wing views in society and on the other a rejection of the expression 'socialism,' although it best describes people's expectations...

Naturally and it hardly seems worth taking this on at present. Instead of dealing with real problems we would be plunging into history. Immersing ourselves in discussions on our attitude to Marx would only lead to sterile arguments, which would interest nobody.

I think that after an interruption of 40 years in Poland, an interruption imposed by an authoritarian system, we are beginning everything again. This means that we have to build a political structure - a structure of parties - referring to real problems and not to history.

To take this argument further, I think that in Poland - leaving aside the peasants - we will have two kinds of left wing parties.

The post-communist party will continue to have a degree of support. The fact is that there are quite a few people who are inclined to vote for them quite simply out of irritation with Solidarity. The record of Solidarity governments is what inclines them in this direction.

There must also be a party which relates to Western social democracy. We must remember that the roots of social democracy are in the workers' movement, which historically divided into two currents: communist and social democratic (often described as revisionist by the communists). The social democrats in fact believed in the market and accepted private ownership. They thought it was not possible to have an economy without money (in contrast with Marx's view). They also believed in political democracy. We want the Union of Labour to be this kind of party.

To return to the peasants parties for a moment, they too will have to be left wing, even if they call themselves something quite different. If the farmers want tariff protection, subsidies, social welfare, then they are voicing left wing slogans, whether they like it or not.

Would you agree with the view that in Western societies it no longer matters which party is in government, whether it is social democratic, liberal or christian democratic - the economy tends to follow a preordained course and people do not feel that changes are an option for governments?

In the short term, governments do not carry out major changes. However, we must remember that after the war, West European countries had already formed the basic elements of the system. Arguments took place only about how to exploit a market economy, whether to have a few more state enterprises or a few less, whether to run a budget with or without a deficit, whether to carry out one kind of monetarist policy or another. No one disputes the basic principle. Neither will we.

However the absolutely key question is what kind of economic model we are aiming for. Do we want to create a greedy capitalism, Latin style, with huge social inequalities, limited spending on education,

health and economic investment, or do we want to go in the direction of the European model, which is determined to a large degree by social democratic policy. The choice of which road is fundamental, because when governments are changed, from social democratic to liberal for example, certain things should remain untouched.

On occasion I have said publicly that Jacek Kuron is quite simply talking rubbish, when he says that he will be a social democrat, as if we had completed the transition to capitalism. What I mean is that a social structure is formed in the course of systemic changes and if we recall the Latin model mentioned above, this implies stupendous social conflicts in the political structure.

Not German standards

A welfare state costs a great deal.

Certainly that is true, without the slightest doubt. Only nobody is saying that the state has to cost us what for example the West German state costs. We don't want to give benefits to the unemployed as high as the Federal Republic of Germany does. We are not saying that the health service has to reach German standards. We are not relying on being able to spend amounts on education comparable to those in Germany. We must cut our coats according to our cloth....

Apart from this we have to ask ourselves if in Europe, or say in Turkey, in countries where people are used to fighting for their interests, it is a desirable outcome for big gaps between social layers to be allowed to develop. Or will this not lead to political instability, leading to restriction on the prospects of economic growth ?

Since the introduction of such a model is not possible here, there is nothing to be afraid of.

Some of the liberals are saying that if we do not succeed in introducing reforms democratically, then they are very sorry, but we will have to do it another way. Only they have to answer another question, why do they think that a Polish dictatorship would be one of the liberal right ? It would probably be a populist one, as destructive for the economy as for democracy.

I am very worried about the direction that is being taken in work on the electoral law. If Parliament adopts this law in the form proposed by the Commission, the consequences could be enormous. What will it mean if a 5% threshold is forced through by the Democratic Union and some of the other larger groups ? A threshold like that makes sense if the large parties receive 90-95% of the votes cast. In this situation, the votes cast for small parties, which fail to pass the threshold, can be divided up. However, we are threatened by a situation in which the groups elected to parliament with less than half the vote (for example 15% support from a 30% turnout) will not have the support of the majority of the population.

You are talking about your fears for your own group.

Maybe not. According to public opinion surveys, in the month since we created the Union of Labour, we have gained 3.5% support, although as yet we have done nothing. Even the name of the parliamentary group has not been changed yet. It would be

remarkable if we couldn't exceed a 5% barrier.

I was referring rather to my belief that we will have a democratic parliament when it is representative - at least within reasonable limits.

The electoral law requires coalition, but it will be an incoherent coalition. How could it be otherwise ? Differentiation will take place almost immediately after the election. Remember the last parliament. Five groups came into the parliament, but by the end there were sixteen groups registered, as many as now.

If politicians talk about the need for larger more concentrated groups in parliament, then they should carry out their conclusions in practice and unify with one another. But they would rather do it differently. They are proposing - and I do not hesitate to use extreme language - to perpetrate a political swindle rather than go through the normal process of building a political scene.

Sweden went too far

At the beginning you said that overcoming the negative associations of the word socialism would not take place quickly. Can I induce you to consider what conditions would need to be fulfilled for this to take place. When all is said and done, everyone basically hankers after the model of a socialist state, best expressed in the Swedish model.

The Swedes went a little too far, expropriating the citizen in some areas. However there is no doubt that in Sweden one can live pleasantly - some say to the extent that it is rather boring there. It is a fact that we can live boringly, but this is not perhaps what we dream of.

To return to Polish socialism, overcoming the negative stereotype will first and foremost take time. Many questions have already been clarified. People are convinced that lyrical capitalism does not exist and this is a very important learning experience, not only for both workers and peasants, but also for politicians and entrepreneurs.

The second condition is a minimal engagement of people in events on the political stage. In the election campaign, parties made many promises which were not fulfilled later, undermining the faith of society that their votes in the ballot boxes mean anything. However it is immensely dangerous when politics is restricted to an alienated elite. In Poland this has already happened. The diminishing intervals between elections are not accidental. This phenomenon is also characterised by a certain perverse logic.

Some parties think that as time goes by, various kinds of malcontents won't bother to vote, only people who are satisfied. If so, we will represent them (these 15 or 20% of society), then we will have enough. If only 30% of people vote and half of them support us, then we won't have to worry about the remaining 85%, because we can get a parliamentary majority this way. With this kind of logic, in the final analysis, this will lead to revolt. In spite of this, I am an optimist. I think that it is possible to do what is needed in Poland. It will not be enough merely to advocate orthodox liberal reforms.



Why the Union of Labour?

The formation of a new party, the Union of Labour, by members of Labour Solidarity, appears to have led to some controversy in the ranks of Labour Solidarity. Below we publish an extract from Ryszard Bugaj's Letter to Branches of Labour Solidarity. First published in 'Solidarnosc Pracy,' Bulletin of the Parliamentary Group of Labour Solidarity, No. 4, 12 June 1992, it is translated by David Holland.

The initiative to establish the Union of Labour on 7th June, involved a large majority of active branches of Labour Solidarity, but a few branches kept their distance from this initiative, or even expressed opposition to it. This view did not find expression at the meeting, but the problem certainly exists. I consider that it is my duty to present my personal view on this matter.

I was one of the people in Labour Solidarity who resisted pressure from colleagues from some branches (in particular Krakow and Bialystok), calling for the urgent creation of an organisation of a labour party type, involving people from a wider background than Labour Solidarity. However, the arguments of these colleagues became progressively stronger.

Two particular contentions advanced in these discussions, in my view deserved consideration. Firstly, it is not possible to consolidate the democratic left without a change of name and of organisational form. Secondly, the next elections will probably be significantly before the expiry of the term of the present parliament and these elections will be held on the basis of a higher threshold. Not without hesitation, I recognised that these arguments were irresistible and I joined in with the informal process of preparation.

In undertaking these activities however, we invariably stressed that we were not acting in the name of Labour Solidarity, but entirely in our personal capacities. This did not mean that these activities did not have support in the statutory leadership bodies of Labour Solidarity.

We may recall the resolution of the First General Delegates' Congress on the theme of the political representation of labour. It stated:

"... the interests of Poland require that activities are undertaken to hasten the process of crystallisation and consolidation of the democratic left. Labour Solidarity is in favour of activity leading to the creation in the future of a Polish labour party, pragmatically oriented, rooting itself in democratic traditions and able to represent the interests of wage earning workers. The creation of a new political grouping cannot be the result of the formal unification of existing organisations, but must be a substantive drawing together of interested parties.

"We would wish to undertake these activities in a collaborative way, on the basis of equal rights, with other currents emerging from the

anti-communist opposition, which have set themselves the goal of the defence of working people. First and foremost, we call for the assistance and co-operation of the Social Democratic Movement and the Polish Socialist Party. We do not however see a possibility of co-operation with the SdRP [Social democracy of the Republic of Poland]. Without denying that there are some estimable people active in its ranks, we regard this party as the continuation of the PUWP [Polish United Workers' Party] and the mainstay of a significant part of the communist apparatus and nomenklatura. We also consider that membership of the PUWP cannot be considered as a stigma. Individually, it is quite possible for honest and estimable people to come from this background."

The Praesidium and Executive of Labour Solidarity were also informed of the preparations for the initiative meeting. For example, the basis of the meeting was agreed on the 6th of April in Krakow within the Executive. The original meeting was scheduled for 23rd May, but for purely organisational reasons was deferred until 7th June. I was not sure whether the initiative meeting would be on the 7th June either. A sudden spate of events precluded wide publicity for the initiative. Moreover it is a fact that many of our branches had not held discussions and so their opinions were not able to crystallise. These were arguments for a further postponement of the meeting. Unfortunately, organisational steps taken earlier made postponement impractical.

I feel that the initiative meeting went well, despite unfavourable circumstances. A lot of people came and there was a lively and substantive discussion. It was also possible to appoint a group of people on a consensual basis who would assume the onerous tasks of further organisational initiatives. Certainly, this does not resolve all differences, but the activities which were undertaken were unambiguously the optimal routes in the pursuit of goals which Labour Solidarity has supported in the past. To some extent, it will depend on future events, outside our control, whether our supporters engage themselves fully in this initiative...

I think that everyone should bear in mind that our disagreements about whether it was right to create the Union of Labour are not arguments about matters of principle, but only of tactics and organisation. There has never been any question of changes in fundamental programme.

There certainly is a problem of drawing up a statute for the Union of Labour, which will offer security against the laundering of grubby characters. However, this is not a problem specific to the establishment of this party and nor is it only a question of screening out people whose unethical behaviour was of a political character. There are also other kinds of unethical behaviour, such as corruption.

This is the first time that different opinions have arisen in Labour Solidarity which have provoked such heated controversy. It would certainly be very bad if our milieu became absorbed in arguments about whether the creation of the Union of Labour was right. Above all, we should reflect on what is to be done to realise most effectively the goals which found expression in our programme.



Twenty-one demands: August 1992

(Successive waves of strikes have broken out in Poland, concentrated in heavy industry - cars, copper and coal mines. Below we reprint the demands of the National Negotiating and Strike Committee. Translation is by David Holland from the text published in Gazeta Wyborcza 12 August 1992)

The demands of the National Inter-Union Negotiating and Strike Committee were adopted at the session of the Committee in the FSM SA car plant in Tychy on 10th June 1992.

The dramatic social and political situation in Poland; the deepening recession in the economy; rising unemployment; the accelerating decline in real wages, retirement and other pensions; the growing impoverishment of society and the profound collapse of decent standards in our country require that the government of Poland immediately opens negotiations with the trade unions.

In the context of the failure of the Polish government to respond to the repeatedly voiced demands of the striking workers or to the demands advanced by the trade unions regarding systemic changes in the mistaken social and economic policies that have been pursued hitherto, the National Inter-union Negotiating and Strike Committee demands:

- 1) The transformation of the economic system in a manner beneficial to the nation and the state;
- 2) The subordination of economic policy to the primacy of social goals;
- 3) The adoption of economic policies to end unemployment;
- 4) Immediate abandonment of the privatisation programme, which up until now has been chaotic and larcenous and served the interests of the governing elite and of capital;
- 5) Repeal of the law on One Person State Treasury Companies, bringing the management of national assets under social control;
- 6) The stimulation of domestic industry and agriculture and its defence against destruction by foreign capital;
- 7) The defence of the internal market, respecting the interests of Polish industry and domestic consumers;
- 8) The reconstruction of the state banking and finance system, taxation and duties, from the point of view of defending the receipts of the state budget, domestic industry, agriculture and the interests of the citizens;
- 9) The immediate abolition of the payroll tax and of dividends and the creation of a system of taxation giving equal rights to all sectors of the economy, regardless of the form of ownership;
- 10) An immediate end to the blockage of payments and the pseudo-indebtedness of state enterprises, farms and other agricultural enterprises;
- 11) The immediate adoption of credit policies towards agriculture, which take into account costs and the production cycle and will guarantee enterprises' survival;

12) The introduction of interest rates adapted to the development of production and services and the promotion of firms;

13) The adoption of an exchange rate for the dollar, which is supported so as to stimulate production and exports, whilst hampering unnecessary imports;

14) A social policy designed to support health, education and Polish culture;

15) The adoption of strategic policies for the development of all branches of Polish industry;

16) Pending the introduction of the systemic changes demanded in the area of credit and banking services, the suspension of enforcement procedures in relation to all firms;

17) The adoption of a systematic social and housing policy to assist the Polish family;

18) The adoption of a parametric system, linking wage funds with the level of accumulation;

19) A guarantee of minimum wages, retirement and other pensions at a level that makes a dignified life possible;

20) Adoption of state intervention to carry out anti-recessionary policies, including the restoration of state orders for goods and a coherent system of taxes and duties;

21) The pressing of criminal charges against those responsible for the ruination of the Polish economy.

The National Inter Union Negotiating and Strike Committee affirms that it stands ready for immediate negotiations with the Polish government on the systemic changes demanded, which if put into practice would have the real prospect of breaching the deepening recession. We will await the response of the government until 14th August 1992.

The National Inter Union Negotiating and Strike Committee demands the immediate acceptance of the demands put forward by the protesting workers, including KGHM Polish Copper SA, FSM SA Tychy and WSK Mielec.

The National Negotiating and Strike Committee appeals to the mass media to make available this document to the public and thereby allow the striking workers the right to put forward their grievances.

Rajmund Moric (Miners' Federation), Marian Jurczyk (Solidarity '80) Ewa Sychalska (OPZZ), Jan Kisielinski (Miners' Union), Jan Zaborowski (Engineers' Union); Andrzej Lepper (Self Defence); Ryszard Zbrzyzny (Strike Committee in KGHM Polish Copper); Marek Kuczera (FSM Strike Committee).

What happened to Solidarity?

Interview with Karol Modzelewski

There are many in the West today who still see the Solidarity trade union of 1980-81 as a powerful, progressive mass movement of workers. But in the Polish parliamentary democracy of today Solidarity activists are more likely to be found on the right than on the left. Was Solidarity really what we always wanted to see in it: a trade union that defended the interests of the workers? Or was it mainly an alliance of different forces in opposition to Soviet communism?

K.M. Solidarity emerged out of big strikes during the course of which the workers demanded free trade unions. This fact alone was decisive in determining the character of the new movement; it was a trade union in the true sense of the word. The fact that this trade union was the first free political organisation in a system that prohibited political freedom meant that it also fulfilled an additional function, namely, as a reservoir for all those different political forces that were fighting communism. But, in 1980-81, Solidarity saw its major task, above all else, as defending the rights of the working people. It did this not just at a purely trade union level but also at a general social level.

One should recall that, at the time, Solidarity expressed itself programmatically in favour of self-management, a demand which went far beyond the usually defensive demands of a trade union. In other words, Solidarity's actions at the time were directed at changing the political status of the workers: from passive objects they were to become active political subjects. We should also not forget that Solidarity, at that time, was a mass movement with a membership and degree of popular support which was quite unique in the history of modern Europe. Some hundreds of thousands of people who had organised this movement in the factories, offices and schools already before 1980 found themselves free in their political activity for the first time in their lives; they also saw themselves as the creators of a new political reality. This collective feeling of being the creators of a new reality was, I believe, decisive for the first phase of Solidarity's legal existence.

Right up to the time when martial law was introduced, the mass of the workers who had taken part in establishing Solidarity never allowed anyone to take away from them the right to make their own decisions about the future of their union. The Communist Party tried to do this, as is well known, but the workers didn't allow it. They wouldn't give up this right even to the Solidarity leaders themselves. Every time the trade union leadership took some decision in an authoritarian manner, the rank-and-file acted on their own initiative independently of the leadership and the leadership was constantly involved in the attempt to moderate and settle this kind of conflict.

In the years 1980-81, Solidarity was clearly an authentic movement of workers and I am certain that if the Solidarity of 1980-81 had still existed in its original form in 1989, the economic programme of

Leszek Balcerowicz would never have been accepted.

But wasn't it perhaps easy in 1980 to make political demands on behalf of the workers because no one really could foresee their being implemented? This is no longer the case today where everyone is free, at least politically, to try to implement their own economic programme. Maybe this explains why it was easy for Solidarity to make radical political demands on the Communists in the early 1980s while today, at the social level, it isn't so radical?

K.M. No, I disagree with each part of your argument. What I reject above all is your assertion that in 1980-81 Solidarity made demands which were unrealistic and which could not have been implemented. If we begin from the assumption that the existence of Solidarity in the communist system was realistic, which it was - it did exist, after all - then we must also assume that all demands which did not put in question the communist system in Poland or Poland's inclusion in the Soviet bloc were also realistic. The demand for workers' self-management was realistic in this sense, while the demand for free parliamentary elections was not. And this was the view of all realistically thinking politicians in Solidarity at the time.

I also want to make it absolutely clear that Solidarity of the early 1980s was not an instrument in the hands of anti-communist leaders, an instrument with no will of its own. It was, as I attempted to explain earlier, a spontaneous mass movement of workers and it was as such an organisation that it formulated its demands.

Of course, it is altogether another question whether these demands were economically realistic. What I am saying is that these demands were politically feasible within the framework of the communist system. Communist rule in Poland was not questioned. What was at stake was changing the way in which this power was exercised, ensuring that this power was shared and limited. In this sense, Solidarity followed at the time, quite correctly, a policy of self-limitation. The Solidarity of 1989 and later is quite a different phenomenon. Solidarity of 1980-81, these active spontaneous masses, disappeared under Jaruzelski's martial law regime and never returned in its original form.

The Solidarity that was legalised again as a result of the Round Table negotiations is five times smaller than what existed in 1981 and its activities then and now bear no comparison: present-day Solidarity is just a shadow of its own past.

From a political point of view, the Solidarity that survived martial law is an important symbol of freedom for the Polish people. There is also still a disciplined core of activists who were active in the underground during martial law. Immediately after the collapse of communism in Poland, this relatively small activist group had quite a broad layer of passive support in Polish society. But this was a social dynamic completely different from 1980-81,



Gdansk: birthplace of Solidarnosc

with the result that the Balcerowicz economic programme was accepted by Solidarity with little resistance despite the fact that it was so anti-working class, in fact much more drastic than anything Margaret Thatcher did in Britain. And, to add to this paradox, the price for this programme is being paid by precisely those people that formed the political basis of Solidarity in the early years - wage-labourers in the big enterprises.(...)

You deny then a continuity between Solidarity of 1980-81 and Solidarity of today.

K.M. Yes, that's right. One of the leading theoreticians of the Polish Liberal Democratic Congress is Lech Marzewski, a representative of "liberalism with an iron fist". Marzewski and the people around him say that what Poland needs is not democracy but capitalism and that what is needed is a Polish Pinochet to teach capitalism to the masses who have been demoralised by socialism. But what I say is: we've already had a Polish Pinochet and his name was Jaruzelski. He did in Poland what Pinochet did in Chile. Without Jaruzelski there would have been no Balcerowicz. If Jaruzelski hadn't broken the back of the Solidarity mass movement, it would have been impossible to implement the Balcerowicz economic programme. No one would have dared to even suggest such a programme. It was the destruction of Solidarity as a mass movement that made the transition to a liberal-monetary economic policy possible.

I would like to stress, however, that I don't think that all the problems of the Polish economy can be attributed to the monetarist policies of Balcerowicz. It is true that, under the government of Mazowiecki and Bielecki, Balcerowicz had unlimited control of the Polish economy. But monetarism is, in my view, just one of the variants of liberalism. In one or another form all variants of liberalism are based on the existence of the market. This was the case in Latin America. But policies which presuppose the existence of market mechanisms are doomed to failure in post-communist societies, because these mechanisms simply do not exist and will not exist for a very long time.

The liberal belief that the invisible hand of the

market and the opening up to the world market will automatically and of necessity lead to a restructuring of the economy in which its non-competitive parts will disappear and its competitive parts will be strengthened is simply false for the post-communist countries. In the case of these countries it is the entire economy, and not just individual enterprises, which is non-competitive according to the standards of the world market. If we then bring these economies into the world market, without a transition period and without protective mechanisms, the only possible result is complete destruction.

This has become very clear in the case of the ex-GDR. The entire economy of the old GDR has collapsed. The fact that this didn't lead to a crisis of public finance is due to the existence of West Germany. The policy followed in the ex-GDR was one of complete opening to the world market. In other words, it was a liberal policy but not monetarist in the way that the Balcerowicz policy was. But nevertheless it led to the complete and sudden collapse of the entire economy inherited from the old "socialist" GDR.

As a result of this experience, many are now demanding, and I agree with them, that the post-communist countries should follow a path of state interventionism. This is not state interventionism of the Keynesian type, as practised by the Social Democrats in western Europe. For this type of state interventionism also presupposes the functioning of the market mechanism, a mechanism which does not exist in the post-communist states of Europe. It has to be a different kind of interventionism, using different instruments from those used in the West, and it will have to be a substitute for the market mechanism for some time.

What is the difference between your model of state intervention and the model followed by the present political elite in Poland?

K.M. The difference is this, as I have just explained: it is not possible, in Poland, to copy the west European social democratic model. Any attempt to use state intervention in the economy to promote socio-political or macroeconomic goals will have a totally different character in the post-communist states. I'll give you an example. Stefan Kurowski, at one time the father of liberalism in Polish economic thought, is proposing now a policy of relaxation of restrictive finance and taxation policy. He maintains that this relaxation would bring desperately needed money into the economy and that this inflow of money would not necessarily lead to inflation because Poland still has massive resources of unused labour and unsold goods.

There is a problem, however, according to Kurowski, and this is that as soon as the level of demand reaches a certain level, monopoly enterprises (and most enterprises in post-communist Europe are monopolies) will raise prices in order to improve their financial situation. This would lead to inflation. So if there is to be a relaxation of finance policy, says Kurowski, it would be necessary to impose an anti-inflation tax on enterprises that raised their prices in this way. This would be similar to the tax which in Poland today is imposed on enterprises that increase wages above a certain level. But let us follow this argument of Kurowski all the way and tell the whole truth. These measures proposed by Kurowski would not be temporary measures but rather a long-term instrument by means of which the state

would make up for the absence of price regulation by the market. This type of measure would go far beyond the usual practice of western state intervention. This is the decisive difference between the kind of intervention that I argue for and the typical western policy which is oriented towards an already-existing market economy.

But there are no forces in Poland today that could implement the kind of programme you propose.

K.M. That's absolutely correct. What I am really calling for is a "third way". I say quite deliberately a third way because, in Poland today, the dominant view seems to be that there is no third way between communism and a savage Manchester capitalism of the 19th century. But this third way is absolutely essential because the policy of the liberals, which is destroying the economic capacity we inherited, will inevitably lead us into the Third World.

The social destabilisation that this will cause will be much more severe than in Third World countries because in Poland, as in the rest of eastern Europe, there is a relatively high level of education and the population is accustomed to measuring its quality of life by western standards. To sink back to the level of the Third World would be seen by the population as an unacceptable social degradation. To save us from that we need a third way. But we also need a third force able to implement such policies.

You need not only a third force but also significant support among the population. There doesn't seem to be much chance of that happening in present-day Poland.

K.M. The support would be there, I believe, but what is lacking is the political force capable of articulating that support. This is what lies behind the electoral support for people like Tyminski, the electoral successes of the ex-communist parties and the large proportion of non-voters. In the absence of this third political force, what emerges is a political vacuum.

Even if the ex-communist groups such as the Democratic Left Alliance were to increase their electoral support, the political stalemate would continue. These ex-communist groups have been discredited to such an extent that they could not become, in the foreseeable future, either a governing party or a pressure group that could effectively push for such a third way.

As far as the post-Solidarity parties are concerned, they are all typical parties of the centre or right, with the exception of Labour Solidarity, which is really a small and numerically insignificant grouping. What is interesting about these post-Solidarity parties is that even those that are not seen as particularly on the right, for instance, the Democratic Union of Tadeusz Mazowiecki, defend an economic programme which is far more conservative than that defended by the Thatcherites in Britain.

To make sense of the outcome of the Polish elections we have to understand that the Polish people voted not according to party programmes but according to their own life experience. And the overwhelming majority of the Polish people have had two political experiences which were decisive in this election: 45 years of communist rule and 2½ years of a Solidarity government. The fact that nearly 60 per cent of the electorate abstained in this election demonstrated that there are very many people who rejected both options. The support for Tyminski is also an expression of this attitude. What emerges

very clearly in this situation is that the absence of a third political force, a force that is neither in the ex-communist nor the post-Solidarity camp, has created a dangerous political vacuum.

Would it be true to say that the Solidarity leaders of the early 1980s didn't really take their demands and ideals seriously and, for this reason, it was easy for them later to switch over to the political right?

K.M. In general, this wasn't true. Certainly, some of these people had no real interest in economic or social policies. This might explain the behaviour of those from the so-called dissident circles, intellectuals whose main motivation during this period in opposition was one of moral protest. But it wasn't this that was decisive in causing this rapid swing to the right.

The Solidarity elite that that came to political power were programmatically naked. Political power fell into their lap in 1989; they didn't have to fight for it and no one in Solidarity had any concrete ideas about what to do. Just two weeks before he became prime minister, Tadeusz Mazowiecki said that Solidarity should assume no government responsibility because it didn't have an economic programme. So Solidarity took over the government without any clear economic programme.

This Mazowiecki government, without any ideas of its own, was then easy prey for the proposals of the liberals and Balcerowicz that if they left everything to the invisible hand of the market then things would work out well. Mazowiecki was encouraged along this road also by the fact that this liberal economic current is very fashionable in the West, particularly in the United States. In its basic features, the Balcerowicz plan was written in Chicago, not in Warsaw. Without any clear orientation themselves, the Solidarity leaders took refuge in a liberal economic policy which has had rather brutal consequences.

(This interview first appeared in Ost-West Gegeninformationen, No. 2, 1992. Translation is by LFEE)-

EUROPEAN

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East-West Women's Network

(With the breakdown of the Cold-War barriers that so long divided eastern and Western Europe, social movements as well as trade union and political organisations have begun to create contacts and re-establish links across Europe. Within the European women's movement there have also been several attempts to establish structures which would bring together women and women's organisations from East and West. One of the more interesting and ambitious of such attempts is the East-West European Women's Network (OWEN), established in Berlin in 1991. We reprint below brief extracts from the founding document of OWEN as well as a report of its first conference held in Berlin at the end of 1991).

Draft Conception for an East-West European Women's Network

"...Because of the consistently maintained sexual division of labour and the traditional distribution of sex roles in society (public) and in the family (private), women have fewer opportunities to participate actively and equally in the process of European unification.

Recent social research indicates a clear deterioration in the position of women, their displacement from the public sphere, from political participation and decision-making. Chief among those symptoms are the following: a rapid and disproportionate increase in female unemployment; fewer chances for women to return to the legal job market; fewer qualification and retraining opportunities for women; a massive decline in women's representation in political institutions; an insignificant number of women among founders of private enterprises; under-representation of women in works committees and union leaderships; a relapse into the traditional bourgeois images of men and women, put out by the mass media and backed up by a conservative family policy...

Meetings of women from all parts of Europe show that the images we had of each other don't match reality. There is a great need to learn more about each other and to achieve a better understanding. Otherwise the European story will be told without women. With the East-West European Women's Network we want to create a place where women from East and West can work together on the necessary strategies.

The European Women's Network sets the following priorities:

1. Political education and emancipation (Organising conferences and workshops by and with female experts; thematic educational weeks; research).
2. Networking (exchange between women's projects, women's groups and initiatives in different countries; opening up new occupational fields for women).
3. Information (infothek; documentation; library).
4. Communication (women's cafe as a meeting place for foreign and native women).

5. Planning and carrying out joint actions at national and international level (legislative initiatives; solidarity actions).

6. Arts and culture (exhibitions, readings and theatre performances; meeting place for female artists from all over the world).

7. Public relations (contacts to press and other media; production of a periodic information sheet).

In order to support OWEN and implement these proposals, a non-profit organisation will be established. At the end of November 1991 a workshop of women from all over Europe is being organised, financed with the help of the German government, the Berlin Senate and the government of Brandenburg. The organisation will seek financial support from the German federal states (Länder), from the European Community and from private business...."

East-West Women's Workshop

(The first workshop of OWEN was held in Berlin at the end of November 1991. The following is a report of this workshop published by OWEN).

"OWEN's basic aim is the formation of a network of women from East and West Europe. It hopes to establish communication between women active in the women's movement in the East and in the West. The goal is to get to know each other in order to be able to fight for and protect women's interests in the various countries. The project is supported by the governments in Berlin and Brandenburg.

OWEN's first activity was a workshop which was held in Berlin from 29 November to 1 December 1991, at which thirty women attended from twenty different countries (from seven countries in Eastern Europe and from thirteen countries in Western Europe). The goal was to work out a common plan and concrete aims for the coming year.

The fundamental changes in East and West, on the one hand the so-called integration of Western national states in the European Community and, on the other hand, the economic and political transformation of Eastern Europe, became dramatically real and understandable through the reports made by the women from different countries.

We invited a woman from Yugoslavia. She wasn't able to attend and we don't know her situation today. The escalation of the violence in Yugoslavia shows the uselessness of current strategies in solving national and international conflicts.

The deep crisis in East European societies affects in particular the situation and basic rights of women. In the countries of Western Europe, women and other under-privileged groups are being particularly affected by economic developments. One issue which is of concern to all women and which we have selected as the topic of a major conference next year is the causes and effects of growing nationalism, neo-fascism and the increasing oppression of ethnic minorities. Another is our understanding and definition of democracy. Although these are not specifically women's topics, we are all of the opinion that our Network should be involved in the public sphere and in all areas of politics.

An Information Pool will be started in 1992 in which information material will be gathered on the

conference topic as well as on women's groups in all European countries. It is hoped that this will be an incentive for women in the countries of Eastern Europe.

OWEN is not only to be an informal network. It will have a permanent headquarters, a house in Berlin in which events can be organised, as well as a library and accommodation. All the women agreed on the importance of OWEN and of the hopes that are combined in this project.
Berlin 2 December 1991.

Conference planned

The East-West European Women's Network is planning to hold a conference in early 1993 on the theme of "a woman's perspective on racism, nationalism and neo-fascism and their link with our concept of democracy". In a letter announcing the conference, the convenors, Marina Beyer, Ute Gölitzer and Katrin Wolf, say they "are looking for women academics, migrants, politicians and officials responsible for foreigners, who are as dissatisfied with the present situation as we are, and who are prepared to analyse the subjects of nationalism, racism and policies towards foreigners in relation to the concept

of democracy. We hope that dealing with these topics from a woman's perspective will enable us to develop new impulses. We are not merely concerned to document the complicated situation in each country. We want to consider, in a public forum, our understanding of democracy and to plan political strategies for the elimination of all forms of discrimination based on gender, race, nationality and religion." (Letter dated 23 March 1992)

The Address of the East-West European Women's Network is:

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(The above documents are from *East-West European WomenNetwork (OWEN) Project Proposal & Documentation Of the First Workshop 29 Nov to 1 Dec 1991 in Berlin*. The translation into English is by OWEN. Copies of this publication, as well as further information about the 1993 conference, are available from the above address.)

Women's rights in Poland

by Sheila Malone

The heated debate on abortion in Poland continues. The new bill was referred to a commission in July and will come up again for discussion probably in September. The postponement of the debate, at a time when attempts to criminalise abortion were defeated in both Germany and Hungary, are hopeful signs. But unfortunately the battle has not been won in eastern Europe.

As things stand, there are two bills now before the Polish parliament. One would totally criminalise abortion. This is being proposed by Christian Unity and is being backed by 171 MPs, including 7 MPs from the "liberal" Democratic Union, among them the new Prime Minister, Hanna Suchocka. The bill proposed a two-year sentence for doctors who perform abortions.

The other bill is proposed by the Women's Parliamentary Group and has the backing of 91 MPs, mostly from the Democratic Left Alliance (SLD). This would permit abortion up to 20 weeks if pregnancy threatens the health of the mother or is the result of rape, up to 24 weeks if the foetus is incurably handicapped, and up to 12 weeks for family or social reasons.

The whole debate on abortion is also tied up with the rejection of the "communist past". The existing liberal law was passed in 1956. But should laws from the old Stalinist period be allowed to override Christian morality? The anti-abortionists are quite clever in the way they manipulate this anti-communist sentiment.

However, the fact that the existing law allows abortion is largely irrelevant since there are hardly

any doctors willing to perform them. At its conference in December 1991 the Medical Council wrote an anti-abortion clause into its Code of Ethics. The Code now prohibits abortion unless the mother's life is threatened or the pregnancy results from rape. Doctors refusing to follow the Code face loss of their job or closure of their clinic. The Ombudsman declared the Code illegal but it remains in force.

The attack on abortion is also part of the general attack on social services. The present government favours the privatisation of such services but the prices for private health care in Poland would make this accessible only to the very rich. The average wage is less than 2 million zloty (around £80). But a house-call by a private doctor costs the equivalent of over £7, a tooth-filling up to £23 and a private abortion is reckoned to cost around £192.

Whether in health care, social services, abortion or education, there is a generalised worsening of the situation of women in Poland and throughout eastern Europe. In March of this year the international organisation on human rights, Helsinki Watch, published a report on the situation of women in Poland. Its conclusion was: "The frequent ignoring or rejection of previous social guarantees, combined with the absence of an independent women's movement, can mean that every step forward along the road to democracy in Poland means two steps backward for the rights of women." This is a damning indictment of the present situation and the present regime in Poland. From all accounts, it seems that planned reports on the other countries of eastern Europe will come to similar conclusions.

Women in Russia

by Elena Mezentseva

The following article is slightly shortened version of a paper delivered at the first international workshop of East West European Womens Network in Berlin in December 1991.

The radical changes already under way in Russia affect all spheres of the social organism and this socio-economic "drama of renovation", as T. Zaslavskaya has called it, also has a gender aspect. The changes that have come about during the past seven years of perestroika have had a different impact on men and women. Women's representation in parliament and in the local soviets was reduced dramatically; women are not being recruited to the modernised privatised sectors of the economy; the closure of creches makes it more difficult for women to work and care for the family.

Women's employment

Women's employment in Russia has a number of peculiar features. Firstly, the level of female employment is one of the highest in the world. But this level has always fluctuated, depending on the state of the economy. It has been high during periods of extensive growth but has declined during periods of economic reform, for instance, during NEP, the 1965 reform period and under perestroika. Depending on government economic strategy, women are either mobilised to join the labour force or are persuaded to "return to the fold of the family".

Secondly, this level of employment has strong regional variations. The proportion of women workers and office employees in Estonia is 54 per cent, while in Tadzhikistan it is 39 per cent (the average is 51 per cent). The lower levels in Asia and in Transcaucasus correspond to a higher birth rate in those regions.

"Feminised" sectors

Thirdly, there are differences in the distribution of women in different sectors of the economy. Some industries and occupations are highly "feminised". In 1990 the proportion of women workers in state credit and insurance was 87 per cent; in trade and public catering, 82 per cent; in health care, 81 per cent; in information and computer service, 72 per cent; in education, 75 per cent; in culture, 72 per cent; in the garment industry, 89 per cent, and in textiles, 70 per cent.

In 1990, the share of women

doing manual work in industry was 43 per cent (26 per cent for men) and in construction it was 79 per cent (44 per cent for men). A great number of women do what are classed as hard manual jobs - about 20 per cent of such jobs in industry, over 25 per cent in construction. In agriculture 60 per cent of the workforce does manual labour, of these 80 per cent are women.

Why do women still look for this kind of work? According to some surveys, a major reason is the possibility of early retirement (32 per cent). Longer holidays, higher wages and shorter working hours are also factors. In the transition to a market economy, these groups of women workers will be the least mobile and have fewer chances of retraining. In nearly all industries women's average ratio of shifts per day is higher than that for men. In gas it is 1.8 (1.3 for men) and in steel it is 1.6 (1.5 for men). In terms of professional skill levels, women lag behind men by 1-2 tariff grades. In a survey of fifteen industries, it was found that the lower the skill grade, the higher was the proportion of women workers.

For working women there is the added difficulty of combining their roles as workers and mothers. Patriarchal notions about the role of women are still widespread. According to a recent survey women spend 2.5 times more time on domestic work than men. Her total working hours in a week, including professional and domestic work, are 76.3 (59.4 for a man).

Education

These peculiarities of women's employment have produced a number of acute socio-economic problems. Although starting out equal to men from the point of view of health, professional skills and education, women end up with less skilled jobs without prospects for promotion. According to the latest census, in 1989, the level of education among women workers was higher than among men (927, as against 914, per 1000 workers) although, in the population as a whole, the level of education for women is below that for men (770 as against 861). The rate of increase of education among women is also higher. Between 1979 and 1989 the number of women with diplomas rose by 19 per cent (13 per cent for men). In spite of this, the share of



Women! Train as workers! 1927

women in managerial jobs is low. Although 48 per cent of men with higher or specialised education have managerial jobs, this is true for only 7 per cent of women.

In the economy as a whole, only 6 per cent of enterprise heads are women. This is true even in the "feminised" industries. For instance, in textiles, where the workforce is 70 per cent female, only 21 per cent of leading posts are held by women. In this professional segregation of women, certain professions are beyond their reach (in administration, in science and technology) while others are highly feminised. As a result of all these features, the average national wage for women is one-third lower than for men.

Women and market reforms

The year 1991 saw the first important moves towards a radical restructuring of the economy along free-market lines. This was also a turning point in the area of women's employment. Women now faced, for the first time, an open and explicit gender discrimination. This explicit discrimination is clearly visible in all areas of employment - hiring, dismissing, promotion, retraining and so on. One of the most glaring aspects of this discrimination is the differences in wages paid in typically male and female industries.

This deliberate discrimination became "socially visible" with the official registration of unemployed workers. Of the 61 876 workers registered as unemployed in Russia in 1991, 43 101 were women. In the country as a whole women made up 70 per cent of the unemployed. In Moscow and some other big cities it was as high as 80 per cent.

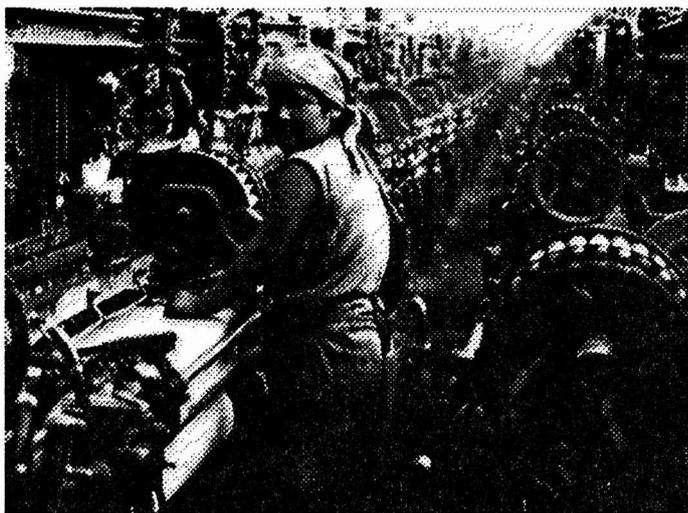
Women have been particularly excluded from those areas involving high levels of professional skill and knowledge. In the cities and in some smaller towns there are quite a few specialist research centres employing highly educated staff. While unemployment is acquiring a female face, the area of intellectual work is becoming a male preserve.

Official statistics have attempted to cover up this discrimination against women workers and professionals. It was always the practice, even during the "dark years" of the "stagnation period", that the officially published statistics on employment provided data on women's share of employment in the different sectors, average wages of men and women, and so on. But the official Statistical Yearbook "National Economy in 1990", published in 1991, has not published any separate data on those issues for men and women. There are no figures for the proportion of women among the unemployed, for instance. Statistics with regard to women appear only in the sections on demography, maternity and childcare.

Wages

The new reforms also brought about a significant lowering in the proportion of wages paid in those industries highly "feminised". Thus in culture and in education, teachers and doctors are being paid two or three times less than workers in manufacturing and extractive industries. A kindergarden nurse with ten years experience earns 700 roubles a month and a secondary-school teacher earns 1000-1200 roubles a month, while the monthly wage of a miner is between 30 000 and 40 000 roubles.

A special female labour market is being created, characterised by lower wages and skills, limited



Women in industry: 43 % do manual work

range of professions, poor working conditions, horizontal but not vertical mobility and a large degree of unemployment. During this period of transition to a market economy this feminisation of poverty will increase.

(There follows a section on "Women and Health" which is omitted here.)

Political participation

The problem of very poor working conditions for women has tended to divert public awareness from the issues of political participation and legal equality. Women, much more so than men, are being alienated from socio-political activity.

With the partial ending of the quotas for representation of women in legislative and executive bodies, the proportion of women deputies in the Supreme Soviet of the former USSR fell from 33 per cent to 15.7 per cent. In republican and local soviets the proportion fell to between five and seven per cent. Statistics on the participation of women in elections, on the proportion of women in the new political parties and professional associations and on the proportion of women deputies in the various committees and commissions of parliament have not been published.

If we study the documents published by the new political parties and associations, we find that the level of participation of women is very low. The question of women's rights, the emancipation of women and gender equality don't appear to be part of the agenda of these new political parties, social movements and independent trade unions. Only those parties with a "pro-socialist" or "national democratic" orientation mention the problems of women. But in these cases it is given a particular slant. For instance, the Russian Patriotic Front has a traditional patriarchal approach and looks at the question of women from the point of view of their importance in strengthening the role of the family. Similarly, the Socialist Party raises the issue from the point of view of extending the social benefits of working mothers (prohibition of night shifts, longer parental leave, etc.).

An analysis of membership figures for the various

parties and movements shows an interesting trend. In those parties that are more pro-socialist or pro-western-democratic, the level of women's participation is quite low, from 0 to 10 per cent. Thus the proportion of women in the Democratic Party is less than 1 per cent; in the Socialist Party, around 3 per cent; in the Social Democratic Party of Russia, around 2 per cent; in the Party of Urban and Rural Owners, 10 per cent. But this doesn't seem to be evidence for the conservatism of women, as some writers have suggested. It seems to have more to do with women's understanding of "politics" itself and the importance they attribute to global problems, the environment, human rights, the anti-nuclear struggle, and so on. Thus the proportion of women in the (quite small) Green Party is around one third; in the Transnational Radical Party, 30 per cent; in the Blue Movement "For Social Ecology of the Human Being", around 50 per cent, with a similar proportion in the Christian Democratic Union and the Union of Democratic Forces (of Andrei Sakharov).

Women's Movement

The wide and independent women's movement in Russia can and should stimulate the formation and dissemination of an egalitarian ideology and should help to change public awareness on the issue of women's emancipation. In the conditions of democracy and openness, it is only the women's movement that can really represent the interests of women, formulate their demands and exert influence on the formation of policy as regards women.

The unofficial women's movement, with more than 50 women's groups and associations registered in

Moscow alone, is raising consciousness among women and creating more possibilities for a broader political participation of women. The new women's movement is developing in a complex situation. The women's groups are also disunited and lack proper organisation and theory. They don't yet represent a real political force, but they do have real potential. Its social base is among the intelligentsia but lately women workers have begun to join.

According to Valentina Konstantinova, a researcher at the Moscow Centre for Gender Studies, there are five basic trends in the Russian women's movement. The feminist trend is just being conceived. It is represented by two or three groups in Moscow and St. Petersburg and consists mainly of social-science research academics, professional women, university graduates and journalists. Then there are the democratic groups, which believe that any effective solution to the women's issue depends ultimately on democracy, which provides a framework in which they can fight for their rights and for a greater level of participation in parliament and in government bodies. One of the democratic demands is for an adequate representation of women at all levels of decision making. The democratic current is also quite small.

The conservative trend is represented by women in the nomenklatura and by women representatives of the Russian-speaking population in the various republics. These women realise that they are being discriminated against but blame it on Perestroika. The conservative current thus opposes the restructuring because they fear a loss of power and privilege.

The traditional trend is represented by women's clubs, various foundations for women and charities organised by women in business. There is also a radical trend which defends the rights of marginal strata, for instance, homosexuals and lesbians.

Women in Russia are therefore becoming increasingly involved in the processes of political life and in the democratisation process but not to the same extent as men. It would seem that, as yet, there is no political party, social movement or trade union which gives adequate expression to women's interests. The hope is that the present politicisation and activation of women will lead to a revival of the women's movement, a movement that has its own ideology, theory and practice and which is able to have a real effect on both the consciousness and the real lives of Russian women.

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The left in the European Parliament

by Michael Hindley MEP

The considerable potential for European contacts among progressives through the European Parliament (EP) has proven elusive to realise. There have been many individual contacts, ad hoc alliances in response to various events and friendships formed, but never a serious attempt to give the diverse left a form until recently. This attempt to move to a broader alliance among progressives is a reaction to key events inside and outside the EP, particularly since 1989.

Grand Coalition

A decisive moment in the new parliament of 1989 came when the Socialist Group leadership, supported by the European Parliamentary Labour Party (EPLP), took the line of "Grand Coalition" with the Christian Democrats grouping (PPE), rather than form a leftist alliance with the (then) two Communist groups (Left Unity and Unitarian Left), Greens and the Rainbow Coalition (a mixture of regionalists and some Greens). The purpose of this Grand Coalition has been to advance the power of parliament per se, at the expense of the other institutions, the Commission and the Council. This has led to serious trimmings of "left" policy, most notably on the Social Charter, and subsequent frustrations.

After an initial dalliance with the "Social Democratic" forces in the newly "free" Eastern Europe, where the Socialist group made serious mistakes in overestimating the strength and the credibility of the alleged "Social Democrats", the Socialist group has retreated from a policy of trying to find partners in the East and has left the field open to the Christian Democrats, Liberals and Tories.

Gulf War

However, the most significant political event since 1989 has been the Gulf War and the reactions to the war in the EP gave rise to optimism. In every vote, a majority of EPLP members supported "no war" resolutions, whether this was in the group itself, within the wider Socialist group or eventually in the EP. The leadership of the EPLP failed to bring the majority behind Kinnock's position of support for the war.

The encouraging factor was that EPLP members were open to a far wider range of views than was represented in Westminster, which meant that those wanting a "no war" solution were able to support resolutions from the Left Unity and the Greens in the wider parliament. More than 90 MEPs, including 25 of the 45 EPLP, voted for a Green resolution of "no war" on the very eve of the Allies attack. The anti-war vote focused attention on the limitations of working within the existing coalitions and the potential for developing others.

It was against this background, of retreat from left politics within the Labour group, the acquiescence of

the EPLP in the coalition politics of the Socialist group, and the frustration of Labour not making any serious analysis of the wider Europe opening up, that some comrades attempted to seek links beyond the EPLP. These moves were simultaneous with moves within the Unitarian Left, basically the Italian Communist Party (now PDS) and the Left Unity (basically the French Communist Party and their allies) to also move out from their isolation. The Italian CP has been particularly frustrated in its attempts to join the Socialist International.

It was decided to proceed on a pragmatic, not dogmatic basis; that is, to eschew the grand theoretical "founding debates" which usually divide rather than unite the left. However, it was decided to concentrate on matters of obvious and mutual concern where we could genuinely learn from an exchange of views. Consequently, it was decided to have a monthly meeting in the Strasbourg plenary week, with a discussion introduced by a speaker.

Regroupment

There are some forty or so "members", coming from the Labour Left (basically, Campaign Group and what can best be described as the political rather than the careerist wing of Tribune), members from Unitarian Left, Left Unity, Greens and Rainbow. The only other members of the Socialist group to attend with any consistency and commitment are the Greeks, PASOK. An encouraging and significant presence is that of the PDS (the reformed SED) observers from the former GDR, which gives this left group a first link into Eastern Europe.

The first meeting was in October of last year when the International Secretary of the (German) PDS, Sylvia Kaufmann, gave an introduction on the state of the "new Federal States" as the former GDR is now coyly entitled. This has been followed by a report on the situation in the former Soviet Union, lead by Ken Coates; an analysis of the Social Agenda of the Maastricht agenda by a Greek member of Left Unity, Alexander Alavanos; a report on Cuba by Dorothy Piermont, a German member of the Rainbow group; a report on the European Community's programme for "reconstruction in Eastern Europe" by myself; and a report on the UK and Italian elections by Alf Lomas and Rinaldo Bontempi (Italian PDS) respectively.

Stan Newens has so far acted as convenor. So far, the meetings have brought about a welcome political stimulation and there is a consensual determination to steer a course between being simply a talking shop and yet not indulging in the grand rhetorical claims of "new programmes". It is hoped to mount an international conference to consolidate the potential that has been opened up for democratically elected progressive forces to develop a common response to reviving the left. Hopefully, at last, the left is talking fuller advantage of the possibilities offered by the European Parliament.

Economic developments in Eastern Europe

by Andy Kilmister

Review of *Journal of Economic Perspectives*, Special Issue: *Economic Transition in the Soviet Union and Eastern Europe*, (Fall 1991); and *Oxford Review of Economic Policy*, Special Issues: *Microeconomics of Transition in Eastern Europe*, (Winter 1991) and *Macroeconomics of Transition in Eastern Europe*, (Spring 1992).

One result of the collapse of planned economies in Eastern Europe has been an influx of Western economists offering advice and analysing developments there, both on their own account and on behalf of institutions like the World Bank, IMF, European Commission and so on. Often such writers are working in collaboration with economists from Eastern and Central Europe. Consequently, a vast amount of material is becoming available which deals with economic developments in these countries. This article is an attempt to review some of this material and to discuss what value it has for socialists attempting to get to grips with what is happening in Eastern Europe. It focuses on general accounts and overviews of recent changes; in a later issue of *Labour Focus* I hope to look in more detail at analyses of particular countries.

Outside view

There are two main uses for this kind of work. Firstly, it provides direct information about the countries concerned. Secondly, it gives insights into the strategies of Western policy makers towards Eastern Europe. The first set of articles here, in the *Journal of Economic Perspectives*, is mainly of interest because of what it tells us about how the region is viewed from outside. However, the other two collections provide more substantive information. This includes detailed studies of environmental issues, by Gordon Hughes, of competitiveness and industrial policy, by Gordon Hughes and Paul Hare, and of the collapse of Comecon, by Dariusz Rosati. The main interest still lies though in the implications drawn from these for policies towards Eastern Europe and for the project of establishing capitalist market economies there.

The papers collected here represent something of a "second wave" in Western responses to the collapse of central planning. The initial framework of analysis adopted to deal with this phenomenon was exemplified by Jeffrey Sachs' writings about the Polish "big bang" economic programme in 1990. These start from a fairly conventional set of distinctions drawn by the IMF and World Bank between stabilisation, liberalisation and privatisation. The transition to a capitalist economy is seen as being composed of these three elements.

A macroeconomic stabilisation programme involves cuts in the money supply and in real wages to reduce inflation. Economic liberalisation leads to the

freeing of prices, making the currency convertible and dismantling tariffs. The transition is completed by private ownership and foreign investment. Sachs' distinctive contribution, in Poland and elsewhere, has been to run the first two stages of this triad together by formulating a very rapidly imposed "shock therapy" programme combining rigid stabilisation and simultaneous liberalisation. He goes on to argue that such a programme can, on its own, lay the basis for a market economy, without further intervention being necessary, from government or elsewhere, to change the structure of production. Stabilisation and liberalisation are sufficient to encourage structural change and to prepare for privatisation.

Shock therapy failure

This way of thinking ran up against a number of problems in the first half of 1990, when it became clear in Poland that firms, workers and banks were not responding to the shock of stabilisation and liberalisation in the way which had been expected. The fall in output was much greater than that predicted, inflation more difficult to control and changes in industrial structure harder to achieve. The result was a shift in emphasis to the third element of the triad, privatisation.

The failure to respond to shock therapy was seen as resulting from the continuation of state ownership, while privatisation became regarded as the key element in economic transformation. Schemes began to be developed for very fast mass privatisation through the distribution of shares to the population, as we are now seeing being put into practice in the Czech and Slovak Federal Republic and in Poland. A divergence opened up between those such as Sachs who wanted to press ahead quickly with privatisation and those, like the Hungarian economist, Janos Kornai, who concentrated on the slow development of a new capitalist class on the basis of small business people and entrepreneurs. Kornai and others continued to see mass privatisation as very much a long term goal.

After Sachs

It is at this point that the second wave of writings referred to above enters the scene. The writers reviewed here differ in their approach from earlier work in two main ways. Firstly, they are much more conscious of the complexity of the institutional arrangements that are involved in establishing a market economy. They recognise to a large degree that markets do not grow spontaneously, but are embedded in a wider network of social relationships.

Secondly, they concentrate on the liberalisation part of the triad outlined above, and they interpret liberalisation more broadly than hitherto. Liberalisation is taken not simply to mean the removal of

restrictions on trade and prices, but also to include a whole set of positive incentives and institutions designed to encourage and coerce economic agents into responding to market signals. The view is that liberalisation in this sense is necessary for stabilisation to succeed and that privatisation cannot substitute for such liberalisation. This is partly because privatisation on a mass scale will take a considerable amount of time, and partly because transfers of ownership on their own cannot be guaranteed to change the behaviour of managers or workers.

In this way the articles reviewed here represent a genuine advance in understanding over the initial approach taken two years ago to changes in Eastern Europe. The shock therapy approach has been seen not to be adequate, in isolation, as a mechanism for establishing a capitalist market, and to require supplementing by broader institutional changes. However, the project of establishing such a market in Eastern Europe remains fraught with contradictions, and these contradictions are reflected in various problems thrown up precisely by the new concept of liberalisation examined in these analyses.

Financial system

If there is one striking factor that dominates the articles reviewed here, it is the attention given to the financial system. More than half the papers, and nearly all the general accounts outlining broad policies for the future, stress the inadequacy of capital markets and the weakness of the banking system in Eastern Europe as a key constraint on the establishment of a market economy. Interestingly, labour markets and the relations between workers and employers are discussed much less. Only one paper, by Mayhew and Seabright in the *Macroeconomics of Transition* collection, devotes more than a sentence or two to the attitudes of workers towards economic transformation. Only McAuley's paper in the *Microeconomics of Transition* collection discusses the workings of the labour market in any detail. The markets for consumer goods, raw materials and industrial inputs do not fare much better, and foreign trade issues are discussed mainly in those accounts which focus on international concerns. The financial sector, however, is analysed continuously and in some depth.

It is not surprising that this should be the case when one considers the problem that these papers are trying to solve. The central issue underlying much of the analysis here is that of why the Eastern European economies so conspicuously failed to respond to market signals when central planning was dismantled. In fact some of the most interesting analysis here is just that which shows how limited such responses have been. Rosati, for instance, shows that, contrary to official statistics there was very little tendency for Poland to divert exports from the USSR to Western markets in 1990, and that this hindered industrial restructuring. Consequently Polish industry was highly vulnerable to the collapse of trade with the USSR in 1991. Hughes and Hare show that, for Hungary and Bulgaria, the changes in output for 1989 to 1991 did not shift production towards more internationally competitive sectors. Mayhew and Seabright show that by the end of the first quarter of 1991 in Poland only 14 state owned enterprises had been made bankrupt.

The writers reviewed here are centrally concerned to identify the reasons for this failure to respond to market incentives, and to suggest measures to change

the situation. Consequently, they tend to focus on those areas where the economies being analysed most obviously lack the institutional framework of a market economy. The financial sphere is the most obvious example of this in Eastern Europe.

While labour markets and domestic and international goods markets appear to operate in the region, after a fashion, capital markets are conspicuously absent. In this way the financial sector becomes seen as a key blockage to the establishment of market relations and becomes central to the analyses undertaken.

Problems in the financial sector have been important in determining the development of the Eastern European economies since the removal of planning mechanisms. However, the concentration on this area here brings a number of problems with it; problems which reflect deeper difficulties in the project of establishing markets in the region.

An initial difficulty is the disagreement amongst the writers here about the policy which should be adopted towards the financial sector. A number of policy issues are examined including the following. What should be done about the debts left over from the old system? What should be done to control borrowing by firms under the new liberalised arrangements? How quickly can a market based financial system be set up and what role should the state play in the period prior to the establishment of such a system? What role should the financial sector play in influencing the behaviour of firms and managers in a market economy? In particular, what should be the respective roles of the banking system and the stock market in exerting such control?

No consensus

It quickly becomes clear that there is no consensus amongst the writers reviewed about the answers to these and similar questions. A number of differing viewpoints are expressed. At the risk of oversimplification, however, a few main approaches can be identified. One significant division is between those who see the establishment of a market based financial system as a long term process, necessitating significant state regulation in the interim, and those who want to progress as quickly as possible to set up such a system and see it as a precondition for further marketisation.

At one extreme, Ronald McKinnon argues that, to prevent inflation and the build up of insecure debt, liberalised enterprises should be prevented from a significant amount of time from borrowing from the banking system at all. Such enterprises, while enjoying tax privileges and the ability to set prices and wages, would be limited in their borrowing to a small nonbank capital market. Even in the later stages of the transition bank lending to such enterprises would be limited to financing the build up of productive short term assets such as inventories or accounts receivable which can be easily realised. It would be short term and fully backed by collateral.

McKinnon's proposals are explicitly designed to encourage firms to reinvest profits and to build up assets to finance future investment. At the same time liberalised enterprises which make losses would not be able to shield themselves from bankruptcy by borrowing. The aim is clearly to foster the development of a new capitalist class through the long term growth of largely self reliant enterprises. Deregulation of the financial system is seen as something for the relatively distant future.

This view is a fairly stark one. However, several other writers share the concept of the establishment of a financial system as being a lengthy process. Stanley Fischer and Alan Gelb see the liberalisation of the financial system as something that has to follow the development of financial expertise, portfolio restructuring, and the establishment of a legal framework and accounting standards. Maxwell Fry and Mario Nuti are similarly gradualist. Both McKinnon and Fry and Nuti point to the experience of South Korea and Taiwan where financial liberalisation has followed rapid industrial growth under conditions of considerable government intervention in capital markets.

On the other hand Guillermo Calvo and Jacob Frenkel argue that underdeveloped capital markets limit price reform, monetary policy and trade liberalisation. Hence the construction of a market based financial system cannot be left to the long term, but must be undertaken quickly. As part of this process they argue that the bad debts left over from the previous system should be removed from firms' balance sheets either by being cancelled outright, or by being socialised by being replaced by government debt in the form of bonds. A similar approach is taken by Tad Rybczynski, who takes the view that reform of the financial system should if possible precede other aspects of liberalisation, and even macroeconomic stabilisation.

The dilemma

This argument reflects a deeper set of difficulties. The problem is that the Eastern European economies are not simply market economies with 'underdeveloped' capital and financial markets. The lack of capital markets in these economies is part of an entire institutional structure and cannot just be treated in isolation. Consequently the discussion of financial

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issues here comes to mirror the account of privatisation outlined earlier.

On the one hand it is argued that a market economy cannot function without private ownership or a set of financial markets. On the other hand it appears impossible to introduce private ownership or capital markets without first creating a market economy. The discussion comes to oscillate between these two extremes.

It is difficult to see how, without financial markets, the restructuring of production and accumulation of capital necessary to create a capitalist class and capitalist market can take place. Conversely, if liberalised financial markets are introduced into an economy where market incentives are not operating they may simply accentuate the difficulties and encourage the build up of a fragile structure of debt.

The fact that Eastern European economies do not respond to market signals in the way expected is not simply a result of the lack of capital markets. It results from causes deep in the structure of these economies, causes moreover which are not just technical questions of the absence of particular mechanisms, but which are connected to the social relationships existing in these societies.

Question of control

This dilemma is worsened when one looks at the question of the control that the financial system can exert on firms and their managers. Corbett and Mayer for example argue strongly for the adoption of a relationship between the financial system and enterprises based on the German or Japanese model of close involvement by banks and major shareholders. They contrast this "insider" model with the Anglo-American "outsider" framework based on dispersed ownership of enterprises exercised through the stock market. Their argument is that Eastern European economies are being encouraged towards an unsuitable "outsider" system of corporate control. Mayhew and Seabright argue a similar case.

However, while this argument is theoretically coherent, it ignores the fact that "insider" systems of control of firms require stable concentrations of capital in relatively few hands in order to provide the agents who will be the "insiders" and exercise financial control over management. This is precisely what is lacking in Eastern Europe, and in fact it is precisely the managers themselves, or the old nomenklatura, who are most likely to have access to such resources. The dilemma reoccurs; in order to foster capitalist development one needs accumulated capital which lays the basis for a class of insiders who will monitor and control enterprise managers, either individually or through the banking system. In other words, one needs capitalist development to have already taken place!

In this review I have concentrated on the analysis of the financial system, for the reasons given above. However, I believe that similar accounts could be given for other sectors or issues, for instance for the taxation structure and government budget deficit. The problem faced by the writers under review is a fundamental one; how can markets be constructed when just those things that appear to make such markets work are absent - precisely because there are no markets. This problem continues to be central for those trying to construct capitalist economies in Eastern Europe. While the writers in these collections have made various steps forward in analysing the problem, they remain unable to provide a solution.

Reviews

Nigel Swain, *Hungary: the Rise and Fall of Feasible Socialism*, London, Verso, 1992, £13.95.

Nigel Swain offers in this book a rich and complex account of the demise of Soviet-type socialism in Hungary. His historical account of its birth, life and death draws on and contributes to longstanding debates on the nature of the Soviet-type system - its political economy, class structure, state apparatus, culture, etc. This allows us to understand how the model evolved in Hungary in the way it did, and also to separate out those features peculiar to the Hungarian case from those more general 'systemic' features which held good across the Soviet bloc and beyond. Furthermore, his account explicitly engages with the efforts over past decades of Western socialists to build a democratic and popular alternative to the Soviet model, as the subtitle's reference to Alec Nove's well-known work suggests. The book's main weakness is that it does not take sufficient account of the international context after the early years of the "first Cold War", and this may partly be why the author's conclusions about the future for revolutionary socialism are so pessimistic.

Chapter 1 gives a detailed chronological account of the last five years of the old regime, up to the elections of March-April 1990. The gradual emergence of open, organised opposition, together with the disintegration of the ruling Party, are related to the worsening economic stagnation and the centrifugal forces set in train by the reforms of the early 1980s.

The next four chapters are organised around an extensive economic history of Hungary from 1945 to 1990. Chapter 2 deals with the aftermath of the war and the popular front period: after describing the events which led to the implementation in full of the Stalinist model, the author discusses at length whether there was really any alternative to that model. His first main argument is that in the specific historical context, the "third way" policies of Bibó and others had no chance of success, or even of wide internal support. Secondly, from the standpoint of the communists and their left-social-democratic allies, everything pointed to the need for maximum economic and political centralisation; anything less ("indicative" planning, for example) would risk sabotage by their opponents.

Chapter 3 covers the better-known topic of classic central planning as implemented from 1948 to 1956. Here as elsewhere he refers to recent British debates on the feasibility of democratic planning, showing how relevant the problems of the period remain. Chapter 4 then traces the origins and development of the economic reform movement in Hungary, beginning with Imre Nagy's New Course in 1954, and culminating in the 1968 New Economic Mechanism. As elsewhere in the Soviet bloc, the economic slowdown of the early 1960s allowed the reform theoreticians the opportunity to develop a real alternative, but Hungary was unique in enacting a comprehensive reform programme with the full blessing of a united Party leadership. The model is succinctly set out, and then discussed in the light of the theories of 'market socialism' of Brus, Liska (a Hungarian economist who deserves more attention, as Swain notes) and Elson (who has contributed to the recent debate in *New Left Review*).

Chapter 5 deals with "Market socialism in practice:

large enterprises and the mechanics of planning". Here Swain draws on the very extensive Hungarian literature of the implementation of the New Economic Mechanism, and the intractable contradictions between the need for real enterprise autonomy if incentives to efficiency were to function effectively, and the continued insistence of the "centre" on retaining its ultimate control. The criticisms of Kornai, Laky, Bauer, Liska and others are presented in a non-technical way and in the context of the twenty-year experience of the reforms. Despite the relaunch of reform in the shape of significant measures for institutional decentralisation and the growth of the private sector, the central weaknesses of the model persisted right to the end. It is important to note, however, that the context of international capitalism was always taken as given by the reformers; just as the Hungarian economy was painted into a corner by rising hard-currency indebtedness, so the reformers were painted into a corner by the logic of the world market. This undoubtedly made it much harder to envisage anything other than an "exit" to capitalism, regardless of the 'internal' coherence of the reform model of market socialism.

Chapter 6 begins by concluding from the foregoing historical analysis that the quasi-reformed economy was characterised by "bureaucratic control, shortage and the emergence of a 'second economy'". The analysis now probes beneath the surface of the standard analyses of the economic reform, focusing on production relations, and in particular the way in which shortages in product and labour markets, and the nature of central controls, led to the emergence of a large and inexorably growing second economy of private entrepreneurs and small cooperatives. Chapter 7 then extends the analysis to trace the consequences for the distribution of income, wealth and power in Hungarian society. Drawing on the work of Hungarian sociologists such as Ferge and Szelenyi, Swain shows that despite some success in reducing gross inequalities of income, the state-redistributive system reproduced inequalities of access to housing, health and other public services. This either happened directly, through the allocation of services in short supply, or indirectly, by forcing citizens to offer bribes or seek to obtain them privately. The poor could not benefit from the increased use of the market mechanism, since those who were relatively privileged in their position in the "first" economy tended to be best able to derive privilege from the second economy too. This in turn helps to explain the dramatic growth of disillusion with the system in the 1980s, and the willingness of the mass of Hungarians to at least passively accept the transition to a capitalist market economy.

In the concluding chapter Nigel Swain brings together the threads of his argument, looking to the implications for socialists of the Hungarian experience. His conclusion is that it provides powerful evidence for the adoption of a reformist approach: not because capitalism is intrinsically reformable, nor because it has thus far made workers better off than socialism, but "because the revolutionary alternative of extensive public ownership of the means of production has been shown by historical experience not to work, or rather, not to be capable of internal regeneration and responsiveness to changing conditions" (p.231).

At this point I have to part company. I think that he is drawing general conclusions too directly from Hungary's historical experience. Although through-

out the book there are appropriate, relevant and sensible references to more general socialist debates, I have already noted the tendency to view the development of Hungary in terms of a predominantly "internal" model of socialism in one country. This means that he avoids the counter-argument that revolutionary socialism cannot be built in a hostile global environment and in a relatively backward, predominantly rural economy. It is not revolutionary socialism, but Leninism-Stalinism (not to mention Maoism) that has been shown not to work. Rather than simply accepting the narrow polarisation between communism and social democracy that has dominated socialist struggles in the 20th century, an equally legitimate response is to start from the great richness of pre- and non-Leninist revolutionary traditions in looking for alternatives.

Hugo Radice

Socialist Register 1992, (eds) Ralph Miliband and Leo Panitch, London 1992, £10.95.

Very few socialist books are being produced these days. The left is well served by publications on ways of humanising capitalism (social citizenship) or democratising capitalism, or by books on particular groups or issues. But work produced from the standpoint of replacing capitalism by a new form of social production are becoming hard to find. It therefore comes as a bit of a shock to open the new *Socialist Register, New World Order?*, and find the editors, Leo Panitch and Ralph Miliband, insisting that overcoming capitalist structures of social power "still requires ... the transfer of economic power from private hands into the public domain" (p. 23) Even more remarkable is the fact that the book contains some extremely important analytical work which anyone, whatever their social philosophy, should read if they want to make sense of the big motors driving world politics today.

For a decade, the Social Democratic parties have been paralysed by some major changes in the international economic and political context, changes that can be summed up in the phrase "globalised production" and "global finance". The right has sought to hammer home the message that this "globalisation" is a natural process of modernisation and progress, making all the traditional projects of the left obsolete. The collapse of the Soviet bloc has thunderously reinforced this message. We must all, it seems, learn the new language of progress: globalisation, interdependence and competitiveness. And woe betide anyone who suggests that the liberal democratic machinery of Western politics is anything other than the ultimate in human political organisation.

This neo-conservative propaganda has offered the left two choices: either to become lay preachers on ethics, rejecting the modern and progress in the name of "human values" or to accept reality and find a place for itself within the new "globalism".

The central articles in this book demonstrate that most of what the right presents as natural necessities of progress are, in fact, contingent symptoms of crisis and disorganisation within the international system. These points have been made forcefully before. What is new is the way in which *Socialist Register* authors give us a historical perspective on the crisis and the way in which they link together politics and economics.

Andrew Glynn and Bob Sutcliffe present a startling corrective to the rhetoric of capitalist internationalisation. They demonstrate that even in the field of inter-European trade the share of exports in GDP is today only slightly above 1913 levels. Even more amazing, they demonstrate that financial markets were more fully integrated internationally before 1914 than they are today (p.83). The overall historical pattern which they present shows a great development of internationalisation up to the first world war, followed by thirty years of crisis and disorganisation, followed by a gradual recuperation under US hegemony since the end of the second world war. Against this background, the possibility of a new, long phase of regression is very real.

Harry Magdoff produces a very valuable analysis of the key processes within the world economy of the 1980s, demonstrating the rupture between financial and trade dynamics and the chaotic disarray in the international financial system - a chaos with very dangerous potential consequences for international economic activity today. Magdoff also provides a very useful, clear and statistically grounded analysis of North-South economics today. He reaches the inescapable conclusion that extraordinary tensions are accumulating not only in the North-South relationship but within the North itself.

Robert Cox's all-too-short article provides us with a framework for understanding the links between international economic disorganisation and transformations in the liberal democratic state. He makes the very important political point that the Bretton Woods system provided a buffer enabling states to adjust their international economic relations without disrupting domestic political balances. This buffer has now gone.

Ralph Miliband and Leo Panitch also address the international-national linkage. They draw an interesting parallel between the transition to democracy in Latin America and the new projects for West European integration since 1985, calling both a constitutionalisation of neo-liberalism. A stress on competitive elections and the rule of law provides some new citizens rights but, at the same time, the social structures of class domination are reinforced against a background of long-term economic stagnation. This is one of the most important contexts for understanding the rise of the new right in Western Europe. And a consequence of this is that the "triumphant" liberal democratic management machinery of Western states is increasingly requiring anti-liberal political movements in order to sustain itself.

Stephen Gill's wide-ranging analysis of the European Community and the process of integration in Europe provides a useful agenda for a new socialist debate on this subject and Makoto Itoh supplies a basic introduction to current Japanese developments.

Perhaps the one gap in the book is the absence of an analysis of the domestic changes taking place in the USA in the early 1990s and the debates about America's future world role. But there are useful articles on US military policy, the cultural industry, relations with Latin America and intelligence matters. Overall, the importance of the book for socialists on the left cannot be exaggerated. It provides an analytical starting point for a new international socialist political discussion.

Peter Gowan