

Labour Focus on Eastern Europe

Social Democracy in the East



Lisl Kauer Social Democracy in Eastern Europe **Alexander Buzgalin & Andrei Kolganov** The Russian Left in 1994 **Boris Kagarlitsky** Social Democracy in Russia **Kirill Buketov** Russian Trade Unions and Politics **Vicken Cheterian** Conflict in the Caucasus **Peter Gowan** The Visegrad States and the EU **Building a European Left: Interview with Ken Coates**

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**Labour Focus on
Eastern Europe**

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Lisl Kauer

Social Democracy in Eastern Europe

What was it that prompted the Socialist International, in the early 1990s, to rush to offer its services as midwife in the rebirth of Eastern Europe's Social Democratic parties? Was it an immoderate rejoicing at the opening up of Eastern Europe, so long under Soviet tutelage, or was it perhaps an expression of compassion for their Social Democratic comrades who had, for more than 40 years, suffered imprisonment, exile, or silence? After all, with the exception of Czechoslovakia in 1918-1939 and 1946-1948, none of these parties, in their hundred-year existences, had really been significant parties.

What is "left" in Eastern Europe?

Social Democracy is a phenomenon of the Western European industrialised nations. It was only in this area that it achieved important political influence and became a factor in the structuring of society. Social Democracy was a product of capitalism and of the Western European industrial revolution; it developed in a specific social environment on part of this continent in the 19th century.

European Social Democracy, for instance, never succeeded in establishing a foothold in the United States. The principal reasons for this are well known:

- The West European workers had to wage a much harder struggle to improve their working conditions and living standards.
- The culture of the European immigrants in North America was characterised by a rejection of state interference in individual affairs,

a simultaneous contempt for the inability of the state to care for its citizens, an overestimation of the values of liberal capitalism, a faith in the promise of a better future, and a faith in the power of the individual will.

- The electoral system offers few prospects to parties that would want to challenge the Republicans and Democrats.

- Socialism meant only one thing - the "evil empire" that was situated in Eastern Europe and the values of which were "un-American".

But why did Social Democracy fail to establish itself in Eastern Europe? Was it the absence of an industrial revolution in the 19th century and the subsequent absence of a proletariat? Or was it because Eastern Europe didn't have the intellectual enlightenment of protestant North-Western Europe?

The dilemma

The dilemma of the Socialist International in Eastern Europe results from the following factors:

- 1) its premature, hasty and ill-considered choice of partners;
- 2) at parliamentary and government level, it collaborated for too long, and without raising its own demands, with the ruling Communist parties and paid too little attention to the dissident movements;
- 3) it ignored the fact that, in large parts of the Soviet bloc, there was no democratic party-political tradition and no development of Social Democracy since 1947/48;
- 4) it paid inadequate attention to the low level of democratic potential in cultures that have been socially and politically ossified for decades;
- 5) it underestimated the possibility that Social Democracy could develop outside the framework of the century-old parties;
- 6) the SI didn't develop an approach to the parties that emerged out of the Communist unity parties [historically, the CPs of Eastern Europe had been created out of unifications of the older Communist and Social Democratic parties]. Describing them as ex-, post-, or reform-Communist isn't really adequate.

Granted, the party landscape in East Central Europe (ECE) is still in flux; if we attempt to impose West European standards on these parties, then attempts at cooperation will fail. The post-materialist and post-industrial values typical of Western societies are not really so

central to the concerns of these parties. But, whatever partners the Socialist International chooses in ECE, it will have to proceed with greater caution than it did in 1990/91. Not everything is Social Democratic that describes itself as such; not everything that calls itself Socialist (what we call ex-Communist) is un-Social Democratic. The Western European conventions do not always apply.

The election victory of the SLD in Poland, of the Socialists in Hungary and Bulgaria, opens up once again the question of who are the appropriate partners in the East for the West European Social Democracy.

The Visegrad Group and Slovenia

Except for the Czech Republic, the Social Democratic parties in these countries are insignificant. In Hungary, Poland, Bulgaria, and Slovenia left or centre-left parties are once again in government.

Poland

The Polish Socialist Party (PPS), member of the Socialist International, has been torn apart and almost destroyed by internal division. Since the death of its leader, Jan Josef Lipski, an old oppositionist with close links to Solidarity, it has completely lost direction. Some left-radical remnants are insignificant and totally lacking in influence.

Social Democratic forces exist, nonetheless, and are to be found in three parties that are represented in parliament.

The Union of Labour (UP) that emerged from the Solidarity trade union, and that supported the coalition government of the Democratic Left Alliance (SLD) and Polish Peasant Party (PSL) until the end of June 1994, has now assumed a stronger oppositional role. Its campaign for a liberalisation of the very restrictive abortion law enabled it to increase its seats in the Polish parliament to 41 (out of a total of 460 seats) in the election of September 1993. The UP is a Social Democratic party and it was proposed that the party be given observer status in the Socialist International at the SI meeting in Budapest in October 1994.

The Freedom Union (UW) was formed by a fusion of the main opposition parties, the Democratic Union (UD) of Mazowiecki and the

Liberal Democratic Congress of Donald Tusk. Although the UD always had a strong social-liberal wing (Frasyniuk, Kuron, Kuratowska), the new UW is more strongly liberal.

The left bloc, the Democratic Left Alliance (SLD), led by the Social Democracy of the Polish Republic (SDRP), the successor to the old Polish Workers Party, also includes the old trade union federation, the OPZZ, and still has some of the old nomenklatura in its ranks (for instance, Jerzy Urban). As the majority party in the government coalition, it follows a course of reform aimed at Poland's integration into the European Union. (The Budapest meeting of the SI also proposed observer status for the SLD.)

Czech Republic

On the basis of a solid, industrial, democratic labour tradition, Czechoslovakia was the only country in this region that possessed a solid Social Democratic movement until 1939. The large-scale support for Social Democracy in the Czech labour force also had a positive influence on Slovakia. In the structure of its political landscape, the Czech Republic of today is quite different from the other countries of ECE. The Communists are orthodox, the liberal-conservative government is unchallenged, the Social Democrats (CSSD) are relatively strong and represented in parliament (in the local elections of October 1994, they won between 7.8 and 12 per cent).

A significant feature of the Czech Republic is the group of intellectuals that, for many years, fought for democratic and social values and that, had they been in the West, would have found their natural home in Social Democracy (Havel, Pithart, Dienstbier). Unfortunately, the Czech Social Democracy, the CSSD, was never an attraction for this group.

Slovakia

The Social Democratic Party of Slovakia (SDSS) is a member of the Socialist International. Whether it would have become a more significant party under Dubcek's leadership is unclear. It didn't make any significant breakthrough. The majority wing of the party opted to cooperate and unite with the Party of the Democratic Left (SLD), led by Peter Weiss and founded in 1991 [The SLD is the successor to the

Slovak CP]. The minority wing of the SDSS wanted to cooperate with the party of prime minister Meciar, the HZDS.

The SLD is, after the HZDS, the second strongest party in Slovakia. Its brief participation in the minority government of Christian Democrats and a liberal splinter group from the HZDS, as well as its unity agreement with the Social Democrats (SDSS) and its electoral alliance with the Agrarian Party and the Greens led a large group of more orthodox old-Communists to leave the party and establish their own Workers Association (ZRS), which then joined a government coalition with Meciar's HZDS and the Slovak National Party (SNS). The SLD's increasingly close links with Western Social Democratic parties and the "social-democratisation" of the party has resulted in the recommendation from the SI Council that the SLD be made a full member of the SI at its next congress in 1996. (This proposal had the full support of the SDSS.)

Meciar's HZDS also contained a number of people who were actually social democratic in their political outlook. Most of these have now left the HZDS but their various splinter groups are more liberal than social democratic. The HZDS is dominated by moderate to strongly nationalist currents.

Hungary

The Hungarian Social Democratic Party (MSzDP), with observer status in the Socialist International, has failed to make any breakthrough in Hungary. In spite of great effort and the active support of some of its Western European sister parties, the MSzDP did poorly in the 1994 elections. Cooperation with the Hungarian Socialist Party (MSzP) is unavoidable if the Social Democrats are not to disappear entirely.

The Hungarian Socialist Party, successor to the old Hungarian Socialist Workers Party, has been, to a great extent, "social-democratised". The party programme, produced by the Social Democratic wing of the party under Vitanyi, is similar to the programmes of the Western Social Democratic parties with whom the MSzP has long had good relations. The party won an absolute majority in the recent elections and its candidates included leaders of the trade unions as well as entrepreneurs from the old nomenklatura. In spite of its absolute majority, it formed a coalition government with the

liberal Alliance of Free Democrats. Although the Free Democrats have had for a long time a relatively strong social liberal/social democratic wing, their international partners were the liberals. Their present coalition with the Socialists, a cause of some controversy within the Free Democrats, nonetheless must be seen as demonstrating the influence of this social democratic grouping.

At the Budapest meeting of the SI, the Socialist Party was proposed as full member of the Socialist International (it already has observer status).

Slovenia

The Slovenian Social Democratic Party (SDSS) is a small party with only four seats in parliament. Until March 1994 they were part of the governing coalition of Liberal Democrats, Christian Democrats, and United List. Janez Jansa, defence minister in the coalition, was member of the SDSS. Under the leadership of Jansa the party has drifted significantly to the right. The SDSS has observer status in the SI.

The two main social democratic parties in Slovenia are the Liberal Democrats and the United List. The Liberal Democrats grew out of the Communist youth organisation and were the strongest party in the 1992 election. They became the leading party in the reform-oriented coalition government. The United List grew out of a union of two parties, the Party of Democratic Change (SDP), which was the main successor to the old Socialist Party, and the Social Democratic Union (SDU). The Budapest meeting also proposed the UL as a full member of the Socialist International.

The Balkans

The Balkan countries, Albania, Bulgaria, and Romania, have been subject to ongoing party-political conflicts that have blocked a stable political leadership or a consistent course of reform. Political development in these countries has also been hindered by the absence of a democratic tradition or experience and the consequent lack of any kind of culture of party politics.

Social Democrats have minimal influence in all these countries. The Bulgarian Socialist Party (BSP) has certain reformist features but

its success in the elections of December 1994 probably had little to do with its reformist credentials.

Albania

Under the leadership of President Berisha, the one-time oppositionist Democratic Party has a solid majority in government (elections 1992) and pursues a conservative-liberal course. The recent attempts of the government to intimidate the opposition demonstrate its distance from any Western conceptions of political democracy.

The Albanian Social Democratic Party, with 7 of the 140 seats in parliament, was, until recently, a partner in the Democratic Party government. The party split over the issue of a referendum on a new constitution, rejected by the Albanians in November 1994. The Social Democratic Party called for a rejection of the draft constitution but the party's representative in government, the minister for education, sport and youth, Teodor Laco, called for a positive vote. Some leading party members, among them the deputy foreign minister, had already been excluded from the party. Laco then resigned from the party and accused the Social Democrats of having drifted too far to the left.

The old Albanian Communist Party has renamed itself the Socialist Party and is the second strongest party in parliament. It shows no signs of becoming "social-democratised".

Bulgaria

Although the Bulgarian Socialist Party (successor party to the former CP) is the most "reformed" of the Balkan Communist parties, there is no agreement among the member parties of the Socialist International about the BSP's social democratic credentials.

At the last congress of the BSP in June 1994, the social democratic wing around Kiuranov made little headway. Jean Videnov, who presents himself as social democratic, was re-elected as party chairman. The BSP then went on to win the elections in December 1994 (44 per cent, with just over half of the 240-seat parliament).

One wing of the BSP broke away, under the leadership of Alexander Tomov, calling itself the Citizens Alliance for the Republic. It then joined the Democratic Alternative for the Republic (DAR), a small coalition of centre-left parties which also includes the Bulgarian

Social Democratic Party around Dertliev, the Greens around Karakatschnov, the Alternative Social Liberal Party of Vasilev, and the Club Europe. In the December 1994 elections, the DAR failed to achieve the 4 per cent necessary to enter the Bulgarian parliament. The Union of Democratic Forces (UDF), which had been the strongest party in 1991 (34 per cent, 110 seats), came second place (24 per cent; 69 seats). The UDF is a conservative, anti-Communist alliance which includes a monarchist wing.

In 1990, the Bulgarian Social Democrats joined forces with the UDF. However, it broke with the UDF before the October 1991 elections, in which it failed to pass the 4 per cent hurdle. One wing of the BSDP, led by Kurtev, stayed with the UDF and had 10 seats in the 1991 parliament.

Romania

The overthrow of Ceausescu didn't bring the democratic opposition to power but the long repressed Moscow faction in the Romanian Communist Party. In 1992 this group split, with an orthodox group organising itself around President Iliescu and calling itself, since 1993, the Romanian Party of Social Democracy (PDSR). The other, more reform-oriented group was led by Petre Roman in the Democratic Party (DP-FNS). The PDSR, with 117 of the 341 seats in parliament, was the strongest party and built a minority government which was supported initially by nationalist, right-wing, and neo-Communist parties. There have been a number of government shuffles and allegedly moderate members of the Romanian National Unity Party (PNUR) have been taken into government. There are undoubtedly social democratic currents inside the PDSR, but the party itself has shown no signs of developing in a social democratic direction.

Petre Roman's Democratic Party (DP-FSN) is the third strongest party in parliament. It was formed in May 1993 from a union of the National Salvation Front and the small Democratic Party. It claims to be social democratic and has consistently sought closer ties with Western Social Democratic parties. The Democratic Party is part of the Romanian opposition, as is also the reform alliance, the Democratic Convention (DK).

The Romanian Social Democratic Party (RSDP) is part of the

Democratic Convention. In the 1990 election, the RSDP won only 0.3 per cent of the popular vote but, as part of Democratic Convention since 1992, it has ten members in parliament. The leader of the RSDP is Sergiu Cunesco, who has good personal relations with Petre Roman. The RSDP is now working more closely with Roman's Democratic Party. However, as a rather small and insignificant party, with ossified structures, it will have no influence on the future of Romania.

Within the Socialist International, the RSDP, along with the Polish Socialists (PPS), constitute the remnant of the Socialist Union of Central and Eastern Europe (SUCEE), which included a number of Central and East European parties during the pre-1989 period.

The Baltic Republics

The key issue for all political parties in the Baltic republics of Estonia, Latvia, and Lithuania is the relationship with Russia and the rights of the Russian minorities. In all three republics, Social Democratic parties play a negligible role. Among the Communist successor parties, it is only the Lithuanian Democratic Workers Party (LDDP) that has been successful. It won 72 of the 141 seats in the 1992 election, an absolute majority. Its success was partly due to its opposition to the right-wing nationalist course followed by the Landsbergis coalition and its support for moderate nationalist policies. But the LDDP's more moderate social reform policies also played an important role. The Lithuanian Social Democrats under Sakalas won 8 seats in the 1992 election and is part of the opposition.

In the first elections in Estonia after the 1992 election law, which excluded one third of the population on ethnic grounds, the Social Democrats and Agrarians united around a platform (Moodukad) which won 12 seats in the 101-seat parliament. Until the March 1995 election, they participated in the centre-right coalition led by Pro Patria.

In Latvia, the Social Democratic Party (LSDSP) sank without a trace in the June 1993 election, winning less than 1 per cent of the popular vote.

Russia

There are hundreds of groups that claim to be part of Russian Social Democracy. The best known of these is the Social Democratic Party of Russia (SDPR) led by Orlov, Rumyantsev and Volkov. As a result of its early support for Yeltsin, the SDPR was able to win some influence and it participated, for a time, in Gaidar's cabinet. After a split, in which Rumyantsev founded his own Russian Social Democratic Centre (RSDC), the party, now led by Golov, had little influence. In the 1993 election the SDPR supported Yavlinsky, leader of the Yabloko bloc of parties that won 7.9 per cent of the votes and 27 seats in the 450-seat Duma. Golov was replaced by Obolensky at a party congress in October 1994.

In the chaotic political situation in Russia, it is difficult to identify social democratic positions. There are so many lines of conflict that cut across each other: nationalists versus defenders of a peaceful and cooperative foreign policy; federalists versus centralists; presidential democrats versus parliamentary democrats; reformers versus preservers of the status quo. Among the parties represented in the Duma, one can find certain social democratic currents and tendencies in the Yavlinsky bloc and in Russia's Choice. One also finds social democratic positions among the Democrats (Travkin, Bogomolov), in the Party of Russian Unity and Accord (Shakhrai), and in the Women of Russia group.

Belarus, Ukraine, and Moldova

The Social Democrats (Gramada) in Belarus have 11 seats in parliament (out of 346), making them a small but not entirely insignificant party. They formed themselves as a separate party in 1992 when they left the Popular Front (26 seats). The two groups continue to work closely together.

Ukrainian Social Democrats are difficult to locate, since they are to be found in a number of different parties, among them the Social Democratic Party, the United Social Democratic Party, the Party of Democratic Rebirth, and the Democratic Party. The Ukrainian Socialists, successors to the Ukrainian Communist Party, have taken only a few small steps in the direction of reform and have lost a significant number of party members to the re-legalised orthodox

Communist Party.

The two Social Democratic parties in Moldova, the Social Democratic Party under Nantoi and the Democratic Party of Labour under Arseni both failed the 4 per cent hurdle in the February 1994 election. The nationalist oriented Agrarian Democrats, that won the election with 45 per cent of the popular vote, and the pro-Russian Socialist Party (25 per cent) represent the old nomenklatura. They dominate the economy and allow little room for democratic politics.

Social Democracy in Eastern Europe 1995

Forty years of Communist monopoly of power in Eastern Europe have left a difficult political and cultural inheritance. The Social Democrats in the east have been affected by this, both historically and programmatically.

Social Democratic parties in Central Europe attempt to identify themselves increasingly in the economic policy debate, in the defence of measures to cushion the effects of reform, in the debate on where to draw the line between private and public. In the countries of the ex-Soviet Union, however, the dominant issues are the national question, the relationship with Russia, and the problem of the Russian minorities. The social democratic problematic tends to be submerged by these other issues.

In general, Social Democratic parties in this region win less than 5 per cent of popular support and they attract very few people. In Eastern and Central Europe, Social Democratic principles rank below the problems of independence, security versus freedom, and market versus state. In view of the history of this region of Europe, this is hardly surprising.

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**Alexander Buzgalin
Andrei Kolganov**

The Russian Left in 1994

From the spring until the autumn of 1994 there were no significant changes in the political constellation of forces in Russia. The rather slow and contradictory process of change from the liberal-right, Western model of "nomenklatura speculative" capitalism to a paternalistic state model continued. In the area of geo-politics, one could observe a gradual shift of the presidential team to a political line that bore ever greater resemblance to that of Zhirinovskiy.

There is still very little support for the independentist aspirations of the various autonomous republics and one hears more slogans about the strengthening of the centre and of the executive branch. The fundamental "political force" of 1994 was still the bureaucratic pyramid, with Yeltsin at the top, and with increasing power in the hands of the Presidential Guard.

As for the activities of the political parties and Duma groups, 1994 witnessed numerous intrigues behind closed doors, a great deal of political scheming around the distribution of ministerial portfolios. Involved in this scheming were not just the right but also the erstwhile left parties.

New Social Democratic parties

In the area of left politics, the two most significant events were the attempts to establish all-Russian Social Democratic organisations.

Involved in the first attempt were the one-time advisors to Yeltsin - Popov, Yakovlev, and Marshall Shaposhnikov. Their organisation found very little public support. It was essentially an elitist attempt at establishing a centre party to the right of the traditional parties of the Socialist International.

The second attempt was more successful: this was the project to establish a **Russian Social Democratic Union (RSDS)**. This new party, which has basic organisations in about two thirds of the big cities, was established at a congress held in October 1994. The RSDS was a unification of a number of smaller parties, among them:

- **The Russian Social Democratic People's Party (RSDNP)**, which used to be known earlier as Rutskoï's Party. The relation of the ex-Vice President to his party has cooled somewhat in the recent period and it is now led by V. Lipitsky, a moderate left-of-centre figure. The party has relatively good organisational and material resources.

- **The Social Democratic Party of Russia**. At the autumn conference of this party, its left wing won control. The party is led by Obolensky, whose political ideas are uncertain and subject to frequent change but who stands close to the moderate European Social Democratic parties. The party is attractive to the lower levels of the social-scientific intelligentsia.

- **The right wing of the Party of Labour (PT)**. The majority of the Party of Labour rejected entry into the new RSDS because they considered it too amorphous and reformist and organisationally too dependent on the RSDNP (Rutskoï's Party). But a number of leading personalities of the Party of Labour, in particular Andrei Isayev, as well as a number of regional organisations of the party, supported the establishment of the RSDS.

- A number of other left-centrist groups.

The new party is also supported by the official trade union federation, the Federation of Independent Trade Unions of Russia (FNPR), whose leader, Shmakov, supports Yeltsin on practically all political issues. Mikhail Gorbachev and a whole series of other prominent political actors from the "pink spectrum" supported the establishment of the Social Democratic Union.

In the smaller spectrum further to the left, March 1994 saw the formation of the **Union of Internationalists**. This was supported by

some of the leading personalities from the following organisations: the Party of Labour (Alexander Buzgalin, Andrei Kolganov), the Communist Party of the Russian Federation (Boris Slavín); the Russian Party of Communists (S. Novikov); the New Left (A. Abramovitch); the left Social Democrats (S. Markelov) and others. The idea behind the Union is to co-ordinate the activities of the left that supports democracy, socialism, and internationalism, with the objective of resisting the growth of chauvinism, authoritarianism, and state-fetishism in the socialist and communist movement.

The left against the war in Chechnya

Yeltsin's war in Chechnya brought about some decisive changes in the political spectrum in Russia and important changes in the balance of forces. A number of pro-Yeltsin organisations (Gaidar, Yushenkov from Russia's Choice), the Yabloko bloc, especially Yavlinsky himself, and the Communists condemned the war and demanded the withdrawal of Russian troops. Zhirinovskiy, Baburin from the Russian All-People's Union, and a whole number of "patriots" supported the president.

The Social Democratic Union tried to have it both ways: it condemned the violence but emphasised the need to maintain the integrity of the Russian state and didn't demand a withdrawal of the troops. The Communist Party of the Russian Federation (Zyuganov) condemned the war and opposed the president. But, at the same time, a number of leading figures in the party, who support the restoration of Russia as a super-power, said that Yeltsin was right.

The left-wing organisations (the Party of Labour, the Anarchists, and so on) warned about the threat of war even before the troops were sent into Chechnya. They rejected the use of force and called for free elections in Chechnya. On 12 December 1994 they issued a statement demanding the withdrawal of the troops and the resignation of Yeltsin. The left also stressed that the condemnation of the war by the leaders of Russia's Choice (Gaidar and others) was hypocritical, since these were the same people who, a year before, had been responsible for a large number of deaths in Moscow, had used tanks to attack parliament, and had carried out mass arrests. The left statement also said that the war in Chechnya was a prelude to a state of emergency and an increase of authoritarian power in Russia.

An anti-war campaign now exists in Russia and there have been mass demonstrations and vigils. Opponents of the war have also been arrested. The war in Chechnya has served to separate the defenders of peace, democracy, and human rights from the hurrah-patriots and the supporters of an authoritarian state power. The dividing line is drawn not between parties but within parties themselves. The party of Labour, the Union of Internationalists, and other left-wing organisations are attempting to mobilise and to unite all those democratic forces opposed to the war. ■

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Boris Kagarlitsky

Social Democracy in Russia: doomed to radicalism

In most countries of Eastern Europe Communist parties have reformed themselves in one way or another. Former Communists have overcome the internal crisis brought on by the shocks of 1989 and returned to power in Lithuania, Poland and Hungary. Ordinary voters, having tried the delights of reform, recall with nostalgia the rather more prosperous and, even more important, freer life of the last years or months of the "Communist regime". It's no secret to anyone that democratic freedoms were introduced in the countries of the former Soviet bloc prior to, and not at all after, the victory of the "democrats". The victory of the opposition at the elections was only a consequence of the liberal reforms and concessions made by the Communist parties.

Now more and more people are trying to return to the past but, of course, not the past of Stalin but to the almost ideal "intermediate" (or normal) state of the time of Gorbachev, when censorship and surveillance no longer existed and privatisation and collapse had not yet begun. The reformed post-Communist parties seem almost an ideal choice in such a situation.

Post-Communist parties

The problem is that, in fact, these parties no longer have any strategy or desire to re-establish the system of social guarantees in the new

conditions. The return to power of the post-Communist parties only represents the beginning of a new political cycle, during the course of which new ideas and movements must emerge.

The turn to the left is a global tendency. Disillusionment in liberal capitalism has gripped millions of people across the entire planet. Meanwhile, Russia, as it has done more than once in its history, has proved to be a "special case". Radical left-wing parties or movements, capable of expressing the mood of the masses, have not appeared on the political scene. If in Hungary, Lithuania and Poland the post-Communist parties do not offer any real alternative to society, they have at least been in a situation to take advantage of changes in the mood of the electorate and return to power on the crest of a "left-wing wave". Alongside them in parliament there are invariably a small number of left activists genuinely prepared to advance more radical demands.

In Russia, the most powerful left-wing force remains the Communist Party of the Russian Federation (CPRF), which has been paralysed to a significant degree by internal disagreements. Unlike other Communist parties the CPRF has been unable to renew itself, to split, or even to preserve its traditions. G. Zyuganov, elected leader at its founding congress, tries to combine moderate policies in the spirit of his Polish and Hungarian colleagues with nationalist rhetoric, which is equally repulsive both to the radical Left and to moderate voters frightened by Zyuganov's friendship with Russian nationalists.

The turn by some Communist leaders to nationalism is quite understandable against a background of the collapse of the world communist movement. Sometimes, the impression is created that the Communist Party in Russia has to a certain extent ceased to consider itself the heart of an international political current. Its ideology has rather begun to draw inspiration from the "specificity of Russia". However, in reality, the success of CPRF has been determined not at all by the peculiarities of the "mysterious Russian soul" repudiating bourgeois progress, but primarily by the failure of the neo-liberal model of capitalism. Moreover, this failure has been universal. As a result, the demand has arisen for joint activities of the Left in various countries and for a new internationalism - a demand which the leadership of the Communist Party has not yet been able and, it seems

to me, had little desire to satisfy.

If the Communist Party has proved neither left-wing nor right-wing but simply "impossible to tell which", then the independent Left has also been a failure. The trade unions have been unable to decide in time on the creation of their own party. Such a party could have become a powerful force at the beginning of 1993, but after the events of October and December 1993, time was irretrievably lost and the politics of the Russian Trade Union Federation (FNPR) leadership finally dispelled any hopes that the trade unions could head a protest movement.

Russian Social Democracy

In spring 1994, the FNPR leadership could not conceal its desire to play the role of a respectable conservative force "working constructively" within the framework of the new system. The ideological foundation of this policy had to be a conception of Social Democracy "with Russian specificities". Typically, interest in the ideas of Social Democracy had also re-emerged at the same time among other circles of the Russian political "establishment", although for quite different reasons.

Discussions and conferences were held one after another on the necessity of creating a powerful Social Democracy in Russia. Among those speaking were not only ideologists and leaders of the Social Democratic groups but also, unexpectedly, people who had previously had no connection with the Social Democrats.

These people's interest in social-democratic slogans is not accidental. They were once used in Russia at the start of the "epoch of reform" as a cover for the party-state nomenklatura, who were striving quietly and painlessly to liberate themselves from their own past and obligations connected with Communist ideology. The question as to whether it would be at all feasible in Russia to apply the methods of "market regulation" as practised, for instance, in Sweden or Austria, was of little concern, as no one intended seriously to imitate social-democratic experience. Indeed, the less appropriate this experience in practice, the better it was, for it made taking the next step, in the direction of an openly capitalist ideology and policy, that much easier.

The revival of interest in Social Democracy in 1994 was directly connected with the patent collapse of the reforms. Now, as unrest grows and the hopelessness of the chosen course becomes plain to any thinking person, the ruling circles have begun to search for a way out of the crisis - but again only at the level of changing the slogans. If in 1991 social-democratic rhetoric served to conceal the turn to a neo-liberal course, then now, having created the illusion of change, the replacement of liberal slogans with social-democratic ones is essential in order to avoid a thorough examination of economic policy, to fool the people and, at the same time, save particular politicians and their clienteles.

In both cases it was the practical inability to realise social-democratic ideas on Russian soil which made these ideas especially attractive. In my opinion, the slogan 'Social Democracy with Russian specificities' was utopian from the very beginning. It is not just that the conditions which gave rise to western Social Democracy do not exist in Russia (these conditions, incidentally, no longer exist in the West in the second half of the 1990s and this determines the difficulties which the Social-Democratic parties are encountering). Rather more important, the directly opposite conditions exist in Russia, which render such a policy impossible in principle.

Social Democracy is primarily the politics of regulation and redistribution of incomes in an efficiently operating market economy. All Social-Democratic parties developed in countries with a stable political system and more or less stable democratic institutions and traditions. Many of these parties experienced periods of profound social conflict, but their foundation always occurred in epochs of stability.

It is clear that social-democratic approaches in the post-war era were themselves only possible because of the shocks and revolutionary pressure of the preceding years. A bourgeoisie prepared to compromise is an essential component of any Social-Democratic project, otherwise any attempt at gentle regulation and redistribution still turns into profound class conflict, up to and including civil war.

"Ideological Social Democrats" in Russia are condemned, in my opinion, to remain small groups of intellectuals. These groups can, of course, play a major role in the development of the workers'

movement thanks to their international links, political experience and genuine adherence to the workers' cause (which sharply distinguishes them from nomenklatura Social Democrats). But the mass movement in Russia can never be Social-Democratic, even "with Russian specificities". And if the Left in our country really tries to become an influential political force it is doomed to radicalism. ■

This was part of a longer article entitled "The Left in Russia: Hopes, Failures, Struggle" published in *Svobodnaya Mysl'* No.11 in 1994. The translation is by Rick Simon.

Socialist

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Russian Trade Unions in 1994

The second half of 1994 was marked by a worsening of the economic crisis, a change in the relations between employers and workers in the enterprises, linked to the ending of the state voucher privatisation, and following on this, a radicalisation of the trade unions both in the field of political action and in the developing of qualitatively new methods of struggle.

Mirage of stabilisation

The second half of 1994 began with numerous speeches by members of the government who made optimistic declarations and forecasts on improvements in the economic situation in Russia. Already in June, according to the Russian government, it was possible to speak of the beginnings of stabilisation in the country. Not only had inflation rates fallen, but at the same time the rate of decline in production had lessened. Average incomes increased somewhat; the ruble strengthened; the period of massive de-statisation of the economy reached its peak; and the flow of foreign investments into the economy exceeded \$1.5 billion dollars per year.

As time passed, however, it became clear that the "stabilisation" of the Russian economy was not only destined to be short-lived, but also extended only to one sphere of the economy, that of finances. It was reflected primarily in a fall in inflation rates and in the stabilisation of the market for hard currency.

Industry and agriculture

In the sphere of production the situation was substantially worse. According to the most cautious calculations, the fall in economic output came to 16 per cent instead of the expected 7 per cent. Of 401 types of product monitored by the State Committee on Statistics, declines were registered in 383. Overdue debts of enterprises exceeded by more than three times the funds at their disposal. The proportion of loss-making enterprises rose from 14.7 per cent in December 1993 to 32.4 per cent in April 1994. All this aggravated the political and social situation in the country. Those who were made to pay for the relative stabilisation in the financial sphere were primarily workers in the basic sectors of industry; it was their wages that the government sacrificed for the sake of reining in inflation. During the first six months of 1994, the proportion of enterprises with wage debts to workers increased from 22 per cent to 33 per cent of the overall total.

To the crisis in industry was added a crisis in agriculture. According to the newspaper *Finansovye Izvestiya* of October 25, the 1994 harvest was the smallest in the previous ten years; this is explained by the new pressure placed on agriculture by delays in payments by the state for the goods it purchases. But in any case, this will lead to a sharp increase in prices for food products in the winter and spring of 1995.

Bankruptcies

Under pressure from below, the state has introduced a number of measures aimed at supporting sectors and industries that are unprofitable, but which have exceptional importance for the economy. But this could not stop the first massive wave of bankruptcies. In June 1994 the State Property Committee decided to liquidate and sell off six unprofitable state enterprises, while 60 bankruptcy cases were handed over to be examined by courts of arbitration. According to government calculations, there are about 2000 enterprises that have been candidates for bankruptcy during the past six months.

In Russia, however, mass bankruptcy has taken on a very specific character. The mechanism for declaring an enterprise bankrupt is so complex, and the state organs work so ineptly, that

these thousands of enterprises which, in principle, are incapable of continuing to function in present conditions cannot be shut down in practice. As a result of this their workers, while still on enterprise payrolls, are not receiving wages.

Officially, enterprise closures have begun only in the coal sector. The process of rationalisation in the coal industry began in 1994, and 34 mines have been listed for closure in the first stage. Despite repeated protestations from the government to the effect that mines will be closed only after the working out of a programme for social welfare and retraining of workers, no steps have been taken to this end. As a result, the coal-mining company Rosugol has begun the process of rationalisation independently. The result has been crude violations of the law and of wage agreements. Decisions have been taken at the local level in arbitrary fashion, and in the orders that have been issued not a word has been said about social welfare guarantees. All this has been superimposed on a transformation of the relations between directors and hired workers in industry.

Privatisation

On 30 June 1994, the period of massive de-statisation that had been known as voucher privatisation came to an end. During this period the state divested itself of more than 11,000 enterprises, making up 70 per cent of Russian industry. However, accelerated privatisation did not have the expected positive results. In most cases it perpetuated the alienation of workers from property, strengthened their powerlessness in the face of employers, and created additional preconditions for a fall in the price of labour.

One of the officially proclaimed goals of "accelerated privatisation" was to force the enterprises to change their mode of behaviour, through subordinating them to the action of market forces. At present, however, the only perceptible result in this area has been to change the behaviour of the directors, to end paternalist relations in former state enterprises and to form relations of a new type, better fitted to the period of primitive accumulation of capital. Until recently, the economic situation in most Russian enterprises did not separate the interests of workers and employers. The main aim for both was to maintain production, to save the enterprise from complete collapse,

and to resist the state's tax policy.

Now, at the end of the first stage of privatisation, which saw the bulk of enterprises pass for practical purposes into the private ownership of their former managers, the new owners behave like real bosses. Accordingly, the specific interests (one might say class interests) of the workers in the factories have come to the forefront. The corps of directors has mounted an attack on workers' rights. Under the pretext of strengthening labour discipline, the management in many enterprises has set up special groups of factory guards who conduct surveillance of workers. Not only the rights of labour are violated, but often basic human rights as well. Rosugol is an example. Here, during the past few months alone, six mine directors and three general directors of coal combines have been sacked for improper financial machinations and for abusing their positions.

New anti-labour laws

The process of redistribution of property has thus on the whole been completed. The state, expressing the interests of the new property owners, is taking legislative measures to limit the rights of workers and trade unions, and to reduce their ability to influence policy in the field of labour relations.

The Ministry of Labour has prepared a draft for a new Labour Code which will allow employers, without the agreement of the trade unions, to change the conditions of work; to unilaterally establish and alter the systems of wage remuneration, benefits, the combination of trades, and the work regime; to halt the operation of workshops and factory divisions "in cases of economic difficulty"; and to force workers to undertake lower-paid employment. The draft law relegates the trade unions to the role of observers with extremely limited functions.

Another attempt to limit trade union rights is the draft law "On the Regulation of Collective Labour Disputes". This effectively outlaws any attempt to organise strikes, since it demands that two-thirds of all workers in an enterprise should vote in favour. In addition, the draft foresees the possibility of strikers being locked out, while virtually no obligations are placed on employers.

The only piece of legislation drawn up with the

participation of the trade unions and which takes their views into account is the law "On Trade Unions, their Rights, and Guarantees of their Activity". This was adopted on the first reading by the State Duma on 16 November. It effectively perpetuates the existing situation in the trade unions. In particular, it foresees the possibility of representatives of management being trade union members, and would keep many financial functions in the hands of trade unions. Thus the state would have to meet 50 per cent of the costs of trade union training colleges, enterprise managements would have to hand over various items of enterprise property for the use without charge of the trade unions, and the trade unions would receive the right of access on preferential terms to the mass media, as well as privileges in areas including taxes and property.

Trade union radicalisation

Increasing arbitrariness on the part of enterprise directors and delays in the payment of wages have increased stresses in the labour collectives. Protests have increased and there have been hunger strikes and suicide attempts. Workers are increasingly resorting to radical actions. There have been arson attacks on the houses of directors, and instances in which workers have set fire to themselves. The first examples have appeared of clashes between workers and enterprise guards. Such cases have been recorded at the Ishimbaisk machine-building plant, and in Cherepovetsk, Yekaterinburg, Kaluga, and Kostroma.

In conditions of economic collapse, strikes, as a method of organised action against management and the government, have lost much of their significance and, at times, have simply expedited plant closures. As a result, hunger strikes were the most widespread form of organised protest in the second half of 1994. As a rule, these actions have been initiated by the most active members of the trade union committees, and other trade union members have then joined in.

The problem of non-payment of wages has taken on a special acuteness in the enterprises of the defence industry. The main debtor to these enterprises is the Defence Ministry, which refuses to pay even for production which has already been delivered and sold

abroad. This question was discussed at the Second Extraordinary Conference of the All-Russian Union of Defence Industry Workers, held on 21 June. At the conference it was noted that of 176 large enterprises in the sector, ten were shut down completely and 123 were working a short week. A total of 284,000 workers were on forced leave. At the conference it was declared that the stage of picketing had passed, and that the trade union should develop other, more effective means of pressuring the government.

The strike actions have been characterised by a growing trade union solidarity, which is now expressed more and more often in the form of material help to striking unions from other trade union organisations. This is something that was quite rare in the trade union movement even six months ago.

A survey of labour conflicts reveals a tendency for social tensions to increase precisely in the sphere of production. In previous years most strikes occurred in the non-productive sector, as a result of low pay and delays in wage indexation. But in 1994 strikes in industry have come to predominate. A new demand has now appeared - for the de-privatisation (that is, nationalisation) of privatised enterprises.

Trade union actions

As spontaneous actions by workers have become more frequent, the leadership of the FNPR, the main Russian trade union federation, has been afraid of losing control of the strike movement, and has tried to give it an organised character, holding a united day of action throughout the whole country. The FNPR leaders did not conceal the fact that the federation took this step in order to hold back the growing wave of spontaneous strikes, of production and transport stoppages of various kinds, and of group hunger strikes. It was the sectoral and other membership organisations of the FNPR that insisted on the united day of action.

The FNPR protest action on 27 October 1994 against the fall in living standards represented the most powerful action by the Russian trade unions for more than 70 years. According to trade union figures, more than eight million people took part in 73 regions of the country. Meetings and demonstrations took place in 56 cities. Some 27 trade

unions not affiliated to the FNPR supported the action and its demands.

The protest action was aimed against the delays of many months in the payment of wages, against the prospect of mass unemployment, and against the passivity of the authorities in resolving these and other social problems. But in 24 regions, demands for the resignation of the government and the president were included. In Novosibirsk, for example, the demand was: "For a change of economic course or a change of government." A representative of the provincial administration who tried to speak at the meeting in Novosibirsk was greeted with the chant: "Resign!"

Active political protests took place in Khabarovsk and Petropavlovsk-Kamchatsky, Orel and Belgorod provinces, and also a number of autonomous regions such as Adigei and Karacharovo-Cherkessia in the North Caucasus, Marii El, and several other republics.

The action demonstrated the substantial organisational resources of the traditional trade unions, which organised the mass protests and conducted them strictly according to plan. On the other hand, the action showed the diversity of views within the federation. The FNPR leadership, which had been following a course of support for social peace and for cooperation with the government, could not manage to keep its member organisations out of politics. Under pressure from rank and file members, these bodies openly declared their readiness to act in opposition to the government and even to the FNPR leaders. It was no accident that at several meetings the slogan was heard, "No to pocket trade unions!"

The October action revealed the growing internal contradictions of the trade union movement. But it had real effects, of which the main ones were an increased readiness to pay wage debts, the holding of discussions by city and provincial administrations with trade union representatives, and the beginnings of concrete work on preparing a series of presidential decrees on extraordinary measures to solve the crisis in the economy. In addition, the trade unions managed to draw the attention of public opinion and of the mass media to the most hard-hit sectors and regions, and once again to demonstrate that the labour movement was a real force.

Pact on Social Accord

As a reflection of these processes of radicalisation, the trade unions began to review their relationship to the Pact on Social Accord. Originally, the chairmen of 31 of the FNPR's 42 member unions had put their signatures to the Accord, and the leaders of the FNPR did not hide their aim of using the Accord as an additional instrument for exerting pressure on the government. However, this "instrument of pressure" turned out to be largely useless. The government did not fulfil its promises. Measures to cut unemployment remained solely on paper. According to approximate figures, by December 1994 the number of jobless exceeded nine million, or about 12 per cent of the economically active population.

One of the first union bodies to quit the Pact was the Central Committee of the Machine-Builders Union at its plenum on 10 July 1994. It was followed by the Russian Union of Workers of the Radio and Electronic Industry, the Union of Water Transport Workers of Russia, and the Union of Road Transport and Road Maintenance Workers.

At present 29 out of 42 trade unions remain participants in the Pact, and the FNPR will not remove its signature so long as the majority of its affiliates remain as participants. In addition, a Conciliation Commission was formed within the framework of the Pact, and through this commission the FNPR has direct access to the government. The commission was formed from representatives of the trade unions that signed the pact, and the FNPR cannot yield to its main rival, the federation Sotsprof, the right to a monopoly of representing the interests of the trade unions in the commission.

Social partnership

Social partnership, enacted through a system of collective agreements, is understood by the government as the practice of resolving social problems without conflict, through collaboration with the trade unions. This practice was used in concluding the Pact on Social Accord. However, social partnership has not yet become an effective mechanism ensuring a balance between the interests of workers and employers.

As well as a general agreement between the government and the trade unions, some 48 sectoral (wage) agreements were signed during 1994. Here a new approach was taken by the Mining and Metallurgical Trade Union, which proposed to the ministry the adoption of an agreement for two years (rather than one year as previously). This agreement was to map out only the most general obligations, without going into close detail. In conditions of economic instability, when concrete propositions can be difficult to fulfil, this seemed reasonable.

In the Russian Federation, during 1994, there has been a decline in the number of collective agreements concluded in enterprises. One in three enterprises have no agreement. This is related to the impossibility of forecasting the economic situation even a month ahead, as a result of which it is impossible for the various parties to undertake obligations. Where agreements are concluded, they are not fulfilled in practice. In a survey of trade union activists included in a Labour Ministry report "On Social and Economic Development in the Russian Federation during the First Half of 1994 and the Tasks of the Next Period", 35 per cent of respondents considered that a collective agreement only partly guaranteed the defence of workers' personal interests, while about 32 per cent considered that it did not provide any guarantees at all. In the view of the majority of workers surveyed, the collective agreement defends the interests of management.

Trade union regroupment

The trade union movement has come to a new turning-point. In political terms, the FNPR will once again be forced to go into opposition to the existing government. The traditional trade unions have returned to the situation in the autumn of 1993, only with the roles reversed. At that time the leadership of the FNPR held more radical positions than the affiliated organisations. But now, under the influence of economic and social processes, the territorial and sectoral unions have moved far to the left of the positions of the leadership, which is oriented toward an alliance with the government.

During the year that has elapsed since the change of leadership in the FNPR, scarcely a single point of the reform programme that foresaw the decentralisation of the federation has been implemented.

Indeed, the FNPR leadership is now calling for a reorganisation of the federation's structures along stricter lines, and for centralisation. Substantial disagreements within the federation, and a sharpening of internal contradictions, provide clear evidence of a crisis within this trade union organisation.

Analogous processes are under way within the free trade unions. The Vorkuta organisation of the NPG (the miners union) refused to take part in an NPG conference in Chelyabinsk because of the too-moderate political position of the NPG leaders.

For the traditional unions, a decline in membership has become a normal phenomenon during the past few years. This is explained by the flow of workers out of the basic industrial sectors, where the FNPR has been strongest, and into the private sector. The problem of membership has also become acute for the "free trade unions". It is still too early to speak of a decline in the membership of the free unions, but a certain stagnation is already apparent. Meanwhile, the composition of the free unions is in constant flux. For example, Sotsprof keeps around 400,000 members but there is a huge turnover.

Against a background of a catastrophic fall in production, enterprise stoppages, and a hidden but substantial growth of unemployment, there has been no growth in the ranks either of the old or new trade unions. Union formation has been strong in those state sectors where the work is associated with constant risk: miners, railway workers, air traffic controllers, airline pilots, transport drivers, and sailors. Union membership in these sectors today is as high as 95 per cent (including those workers in the traditional unions). Further growth in union ranks can now occur only among the "non-risk" professions or in small and medium businesses. In both cases, however, serious quantitative growth of the trade union movement is excluded.

The free trade unions see the way out of the impasse in qualitative growth - the founding of a united trade union federation. This time the initiative for such a process of unification has come from the Independent Union of Miners (NPG). In October the Council of Representatives of the NPG appealed to the free trade unions with a proposal to unite in a Confederation of Labour of Russia. In the view of NPG members such a confederation would "make it possible to

mount a more successful resistance to the seizure of the free trade unions by extremists of the left and right." This idea was supported by representatives of the Mining and Metallurgical Union and by the congress of the Confederation of Maritime Trade Unions of Russia.

Nevertheless, a serious problem has arisen with the excessive diversity of organisational forms within the trade unions. Some of them cover members of one profession, while others represent workers in various professions within the one sector, and still others workers in various professions, sectors and enterprises. A fourth category of unions consists of regional federations of primary organisations of the first three types, while unions of a fifth category are simply primary organisations in one enterprise, unaffiliated to regional, all-Russian or sectoral structures. Finally, there are also unions of representatives of one profession in one city, and workers' committees on various levels.

In the view of the NPG, the new union federation should unite sectoral organisations. This means that the largest alternative union federation, Sotsprof, is immediately excluded as an organisation. Sotsprof would have the right to take its sectoral structures into the Confederation of Labour, but in this case the role of the central Sotsprof organs would be reduced to nothing. This proposal has already aroused sharp protest from the Sotsprof leaders, who have long been trying to join other trade unions to their own existing all-Russian, multi-sectoral structure as the only possible option for unification.

Unions and politics

The second half of 1994, and especially the final months of the year, have been marked by active regroupments in the camp of the Social Democrats, attempts by the trade unions to find their own place in the political spectrum, and also increased attention paid to the trade unions by existing parties.

For Russian trade unions, participation in politics is not something new. The free trade unions accumulated a rich experience of election campaigning during the period of the collapse of the Soviet Union. The traditional trade unions, especially those that make use of the system of lobbying that dates from Soviet times, have never had

problems in obtaining parliamentary seats for their leaders.

In many ways, Russian politics has a lobbyist character. As a rule, the political forces that have had a serious chance of success have been those that represent the interests of one of three large economic formations: the military-industrial complex, the agro-industrial complex, and the fuel and energy complex. Each of these complexes has a powerful and diversified system of corporative links, established many years ago. The interests of these three lobbying groups, which regularly come into conflict in the struggle to divide up the budget and around other questions of domestic policy, are clearly represented in all of Russia's parliamentary, government and presidential subdivisions.

The most powerful lobby in the Russian parliament at present is the agrarian lobby, represented by the Agrarian Party of Russia, the Agrarian Union, the Trade Union of Workers of the Agro-Industrial Complex, and the Coordinating Council of Collective Action of Workers in Russian Agro-Industry. The aim of this bloc is to win subsidies, credits and investments for agro-industry. A plenum in mid-November of the Central Committee of the Trade Union of Workers of the Agro-Industrial Complex called the attention of committees of the union at all levels to the need to take measures to strengthen the bonds between primary organisations and the Agrarian Party of Russia, in preparing for forthcoming elections to the parliament and to local organs of power.

The interests of the defence industries are represented by the League for Assistance to the Defence Enterprises of Russia. As a lobbying organisation, the league sees its task as being to ensure budget financing for conversion to civilian production; for the production of high-technology weapons; and for intellectual scientific and technical research work. Organisations that collaborate with the league include the Russian Union of Armaments Producers; the FNPR; the Association of Trade Unions of the Defence Sector; the International Trade Union Federation of Defence Sector Workers of the CIS; the Trade Union of Defence Industry Workers; and the Federation of Commodity Producers, whose leaders include Yuri Skokov. In practice, this lobby acts in the name of the nine million people employed by the military-industrial complex.

The tasks of the Trade Union of Workers of the Oil and Gas Sector and of the Trade Union of Coal Industry Workers include ensuring support "from below" for initiatives by the representatives of the fuel and energy complex in parliament. The complex is represented in the legislature by the Union of Oil Industrialists.

Millions of disaffected people in the workshops of the defence enterprises, in the agricultural sector, and in fuel extraction provide a massive base of support for the Russian branch lobbies, which have often attempted to blackmail the government with the threat of widespread disturbances.

Party of Labour

More than three years have now passed since a group of activists signed a declaration on the need to establish a broad party-movement of the labourist type, resting on the trade unions. This was how the project of the Russian Party of Labour came into being. The party did not achieve serious success. However, the labourist project was valuable in that for the first time it posed the question of establishing a trade union-based party without links to the lobby groups. In this way the basis was laid for the political self-determination of the traditional trade unions. The labourist project became the basis for developing the ideological concepts of the trade union movement.

The main mistake committed by the political activists of the Party of Labour was that in proclaiming a pro-trade union party, they tried to give it the features of an organisation far to the left of the positions of rank and file trade union activists. Naturally, the party ran up against the lack of political initiative from below, and against the inertia and passivity of the lower trade union organs and of rank and file union members. The logical result was that today the central organs of the Party of Labour have fallen apart, ceasing to exist as coherent bodies.

As a new alternative, the editor in chief of the newspaper *Solidarnost'*, Andrei Isaev, proposed to the trade unions an ideological concept of social reformism that was more moderate, but closer to trade union activists. This concept could be summed up as the recognition of the need for private property and of a socially oriented market economy, and proposed as a tactic the pursuit of gradual

reforms aimed at improving the position of the workers. This alternative was supported by trade union activists who had oriented toward the Party of Labour, and who went on to participate in the project of the Russian Social Democratic Union.

Social Democracy

At the end of October the Social Democratic Party of Russia, the country's oldest Social Democratic organisation, held a congress. After an internal struggle, supporters of union with organisations of a social democratic-patriotic tendency were triumphant. Changing the leadership of the party, the congress took a decision to act as a collective member in the Russian Social Democratic Union (RSDS).

The founding congress of the RSDS took place in Moscow on October 30. The new body united members of Lipitsky's Russian Social Democratic People's Party with adherents of the Young Social Democrats, the Social Democratic Party of Russia (Kudyukin, Obolensky), Oleg Rumyantsev's Russian Social Democratic Centre, some members of the Party of Labour, and the Russian Party of Greens (Aleksandr Shubin). Former Soviet President Mikhail Gorbachev acted as the RSDS's "guardian angel".

The congress of the RSDS was preceded by a whole series of discussions and consultations. These were attended by 150 delegates representing 71 regional organisations. Interest in the RSDS was shown both by leaders of the traditional trade unions (that is, the trade union component of the Party of Labour project, including *Solidarnost* chief editor Isaev, FNPR secretary Frolov, deputy chairperson of the General Confederation of Trade Unions Yurgens, Moscow Federation of Trade Unions chairperson Nagaitsev, and others) and also by Sotsprof activists such as Kudyukin and Dedichev.

The congress was addressed by FNPR chairperson Mikhail Shmakov, who declared unambiguously that while the federation had earlier adhered to the principle of keeping an equal distance from all political parties, it now intended to collaborate closely with those that were ready to defend the interests of the trade unions in the organs of power.

The declared goal of the RSDS is to unite Russia's Social Democratic forces and to create a powerful labourist movement which

would replace the present authorities in a peaceful fashion and would lead Russia on a third path. In its present stage the RSDS is preoccupied with organisational questions such as establishing an apparatus and creating mechanisms for contact and collaboration at the primary organisational level of the parties which are joining the RSDS.

Several variants are possible with regard to the Social Democratic Union's plans for the coming elections. The most sensible course for the RSDS would be to act as an independent electoral bloc. Independent forecasts suggest that if this were done, the Union could count on somewhere between 3 and 8 per cent of the vote. Even if the Union did not gain the necessary five per cent, in the course of the election campaign it would make itself widely known as an independent political and ideological movement, and would establish a certain image as a new structure. A second variant for the RSDS would be to become part of a united opposition movement. In this case the only option would be to support the patriotic movement of Aleksandr Rutskoi. But if this were done, the RSDS would be doomed to failure as a bearer of Social Democratic ideology, since it would be dissolved in the national-patriotic movement. In addition, many participants in the RSDS would be forced to quit the bloc.

A particular characteristic of this Social Democratic bloc, which has as one of its goals the reintegration of the republics of the USSR, is its pronounced patriotic colouring. This is due to several factors.

In the first place, Social Democracy as a movement and as a political ideology arose in the West in a society based on private property, at a time when the need appeared to defend hired workers against the arbitrary power of the property-owners. In Russia, however, Social Democracy is taking shape in the absence of developed market relations. This means, on the one hand, that it is impossible to implement fully the principles of social partnership, and on the other hand, that models of behaviour both of workers and of entrepreneurs have yet to take shape.

A second characteristic of the Social Democratic bloc is its active struggle for national interests. Nowhere until now has the process of formation of Social Democracy taken place against a background of such universal economic collapse, and the transforma-

tion of the country from a world-ranking power to a semi-colonial state. Social Democrats see it as one of their tasks to resist this process, and this accounts for the strong patriotic accents in their ideology.

At local level, the RSDS will rest on the cells of the Russian Social Democratic People's Party and the Social Democratic Party of Russia. But in the process of building the RSDS, a great deal will depend on the official positions of the trade union leaders. A "Survey of the State of Affairs in the Regional Divisions of the RSDS", compiled for internal use, indicates that the regional trade union organs wait on instructions from above, and are unwilling to decide their political predilections for themselves. Many of them, however, sympathise with the RSDS, the Communist Party of the Russian Federation, and the Agrarian Party.

The coming elections

Aiming to participate in future elections, and relying only on their own strength, a number of trade unions have taken the decision to found independent parties based on trade union members. A typical example is the "Levsha" Party of Skilled Workers, established by the federation Sotsprof. Here, however, we can see the wish of the Sotsprof leaders to establish under their control an electoral bloc in which other free trade unions will be forced to participate. If this participation fails to occur, Sotsprof will be able to campaign in elections in a bloc with the Russian Social Democratic Union; a decision to support the RSDS was taken at a session of the Federal Coordinating Council of Sotsprof on September 1-3. The text of the respective resolution states that the goal of this participation will be "to obtain the ministries of social and labour relations in a future government."

But here as well the interests of Sotsprof have come into conflict with the interests of the Independent Union of Miners, which has also come up with an initiative aimed at creating an electoral bloc from among representatives of the free trade unions.

The National-Labour Party, founded by members of the Confederation of Free Trade Unions of Russia, will most likely form an electoral bloc with its traditional partner, the Russian National Unity.

As well as the growing interest shown by trade unions in political parties, the attention paid by parties to trade unions is increasing as well. The leadership of the "Yabloko" parliamentary fraction is becoming increasingly close to the leaders of the Mining and Metallurgical Trade Union. The fraction's leader, Grigory Yavlinsky, has become a frequent guest at conferences of the trade union, and at a plenum on November 17 he openly declared his sympathies for the union. Under the impact of his speech, the plenum took a decision to establish a working commission to engage in election campaigning.

Meanwhile, the Communists are looking more and more intently toward the traditional unions. On 23 July 1994 a plenum of the Central Executive Committee of the Communist Party of the Russian Federation gave central billing to the question of work in the labour movement, including collaboration with trade unions. The Communists examined a series of measures aimed at winning the leadership of the trade unions, and at discrediting and replacing the present moderate leaders of the union movement.

Prospects

There is considerable doubt that the situation in the economy will finally stabilise in 1995. Most likely it will deteriorate, enterprises will close, and unemployment will grow. According to preliminary forecasts, production in 1995 will fall by a further 10 per cent.

According to the forecasts of the Federal Employment Service of the Russian Federation, the number of unemployed in Russia will double during 1995. The growth of unemployment will also be linked to the fact that during the privatisation process, the de-statised enterprises that were turned into joint stock companies did not have the right under the law to re-profile or reorganise production if this would mean a reduction in the labour force. Now, as the time limit set down by the law expires, this provision is ceasing to apply.

Growing dissatisfaction with the government's domestic and foreign policies, the unlikelihood that the present regime could win free elections in 1995, and the development of the Chechen crisis will make 1995 a difficult year. ■

Russian Left Debates the Future

A round-table discussion of left-wing activists in Moscow

A round table of the Russian left was organised in Moscow in June 1994, chaired by **Jeremy Lester**. Taking part in the proceedings were **Alexander Buzgalin** (Coordinator of the Congress of Democratic Left Forces and a member of the Executive Committee of the Party of Labour); **Boris Kagarlitsky** (also a member of the Executive Committee of the Party of Labour and a consultant for the Russian Federation of Independent Trade Unions); **Boris Slavin** (member of the Central Executive Committee of the Communist Party of the Russian Federation and a deputy editor of *Pravda*); **Vladimir Khazanov** (member of the Political Council of the Russian Party of Communists); **Galina Rakitskaya** (founder of the Committee for the Support of Working Class Movements); **Aleksei Prigarin** (Secretary of the Union of Communists); **Vladimir Kizima** (member of the Presidium of the Socialist Party of Ukraine); **Sergei Novikov** (member of the Political Council of the Russian Party of Communists); and **Igor' Gotlib** (member of the Movement for Democracy, Social Progress and Justice).

You all come from different organisations of the left in Russia today. What is it that unites or divides you and how do you see the future?

Alexander Buzgalin (*Party of Labour*)

There are two very different tendencies in the Socialist and Communist movement in Russia today that are in outright contradiction with each other. The first tendency is the more dominant of the two and is represented by Zyuganov's Communist Party of the Russian Federation, as well as in other groups of the so-called "irreconcilable opposition" - groups such as Viktor Anpilov's Russian Communist Workers Party and so on. From a practical, if not from a programmatic point of view, these groups orientate themselves to the notion of great power chauvinism and adhere to the idea of authoritarianism. From here they are able to link up with a number of right and right-centre movements and together they concentrate their work around two types of activities.

The more "civilised" representatives of this tendency prefer to engage themselves in governmental and parliamentary intrigues of one kind or another. The others, meanwhile, prefer the option of open provocation on the streets of the main cities and this often involves an alignment with many neo-fascist tendencies, as represented by figures such as Barkashov and his Russian National Unity movement.

The second tendency is the democratic left, incorporating the sympathisers of democracy, socialism and communism. The real problem with this tendency is that it too has some very serious drawbacks, though of a somewhat different nature to the drawbacks of the first tendency. First and foremost, as Lenin once remarked about the Decembrists towards the beginning of the last century, the circle is very narrow and we are often alienated from the ranks of the ordinary people.

When it comes to the ideological sources of this tendency, it is certainly the case that there exists an enormous degree of pluralism within our ranks, ranging from Marxists to the supporters of Kropotkin, Gramsci, and there are also various notions of left Communism and left Social Democracy. In short, and this is not an entirely positive advantage for us, we clearly base ourselves far more on Western theoreticians, than we make use of our own native Russian traditions.

Boris Kagarlitsky (*Party of Labour*)

The first thing we have to start with is the failure of the left in general; not just the democratic left but the left as a whole. Few, if any, of us here would, I think, want to speak about the success of the Communist Party of the Russian Federation or the Agrarian Party, which are the two forces of the left represented in the parliament. And there is one overriding reason for this. Although these forces managed to get into parliament, it is absolutely clear that this political representation of the left is undoubtedly much smaller than the social potential for left wing politics as a whole in Russia.

The democratic left has always tried to run ahead of the locomotive, as a traditional Russian saying puts it. The trouble is, however, we have only just discovered that in fact there was no locomotive behind us. The rails were completely empty, so the last thing we can do is criticise ourselves for supposedly running too fast. The only thing that we can criticise ourselves for is that we either ran in the wrong direction or we did not properly consider how or where we were going before we set off. We will discuss later, I'm sure, the problems of the social base of the Russian left, because without doubt the lack of any social basis is the real reason for the present weakness of the democratic left.

The crisis of the left is discussed all over the world at the moment and the kind of things we hear coming out of this discussion, particularly in the West, is a demand for more moderation, for more "softness" and for less radicalism. It is repeated over and over again that the traditional Marxist left has failed, or at least that traditional forms of socialism have failed. In my judgement, this is a trap that we should avoid at all costs.

The other thing that I am opposed to is the notion that we should be discussing the "renewal" of socialism. I absolutely disagree with this idea of renewal. Any new stage in the development of our socialist movement can emerge only with or after the mass social base for that movement has first of all appeared. Until that time has arrived, it is pure nonsense for our intellectuals to go on discussing the renewal of socialist ideas; it is meaningless. On the contrary, now is precisely the time when we should be strengthening our traditional socialist identity. What we have to do is to preserve the socialist

movement and the ideas that accompany it. In other words, the notion of continuity has far more salience at this moment in time, than the notion of renewal.

For me, there are three basic points that a socialist adheres to, at least in the contemporary Russian context. Firstly, we are against not only privatisation in the current form that it is being pursued, but against the very principle of private property. At a very minimum this must pervade all our ideological discussions, though I myself would prefer it to transcend ideological declarations and be considered a matter of real principle in practice. Similarly, we must also be extremely critical as regards notions of "soft" privatisation or notions of private collective property as enumerated in the second variant of the government's current programme. Instead, we should opt for a more modern vision of the state sector enterprise, thereby retaining the principle of a nationalised, public sector economy.

The second basic principle that all socialists adhere to is internationalism, and since a great many of you here are renowned defenders of this principle, I have no need to go into explanatory detail on this issue.

The third basic tradition of the left, meanwhile, is that of national liberation. Now that Russia is no longer a great superpower, this opens up many new possibilities for us. Russia is now defeated and at rest and in that sense we can be both internationalists in Russia today and a movement that desires to fight for our national dignity against, for example, the kind of new world order being imposed by President Clinton and others.

And the last comment that I wish to make is this, and it is a very important one for us to recognise. There is now an objective demand for the left. If we look at the findings of recent opinion polls, we can see this demand. More significantly, if we look at the results of recent elections we see "left wing" parties winning all over the world, with the exception of Italy, which I would say is something of a special case. Anyway, it's winning in Hungary, it's winning in Lithuania, it's winning in Ukraine, it's winning in South Africa and I hope that it will win in Brazil and in many other places. The problem is, however, that the left is winning elections without a left wing agenda of any kind and this has the potential of being a tremendous

catastrophe. Millions of people clearly want to opt for something different from neo-liberalism and from this new extreme capitalism and so they opt for the left. But it is a vote for the left as a form of protest and as a form of disagreement with the current situation. If the left wins elections without its own ideas and concepts, which, I repeat, should be based firmly on its own traditions, then this will amount to a tremendous betrayal of popular hopes all over the world, not least here in Russia itself. Our fundamental task must be to provide our own identity, and the so-called renewal of the left must be a renewal of our traditions. If it is not, then socialism has no meaning, and if socialism has no meaning, then we have no purpose and we might as well stay at home.

Boris Slavín (*Communist Party of the Russian Federation*)

I am a member of the largest left political party in Russia today, the Communist Party of the Russian Federation, whose membership is something approaching six hundred thousand. This is what remains of the old Communist Party of the RSFSR, which had more than seven million members. The average age of party members is 45 or more. Needless to say this is an extremely bad symptom, and only time will tell whether we can rejuvenate its ranks with fresh blood or whether it will become a party of enthusiastic pensioners. It has its structures throughout the whole of the Federation and its parliamentary faction is the third largest in the current Duma.

Regrettably, as you are all aware, the ideology of this party is overwhelmingly biased towards a nationalist approach, though in some areas it attempts to mix a strange concoction of both nationalism and reformism. For the party leadership, the ideas of nationalism and statehood are seen as the only viable ones for a left movement. The whole notion of class and a class approach to social and political life is totally anathema. The political ideal is that of the 19th century Narodnik movement, combined with a denial of the Marxist ideological heritage and an affiliation to the conservative, nationalist ideas of theoreticians such as Ivan Il'in, one of the leading ideologists behind the White Movement at the time of the October Revolution. It is a political course that may well destroy the party forever, although my hope is that there are a sufficient number of

intellectuals that will be able to defy the leadership tendency, something that the forthcoming third congress of the party might just perhaps demonstrate.

I am confident that the growing economic crisis will lead to an explosion of the working class. But the ties and the connections between these disaffected workers and any kind of left movement are negligible to say the least. This inevitably weakens the left movement politically.

Our immediate task is to appeal to the masses with proposals and ideas that they will immediately comprehend: declarations to feed the hungry, to index wages, to return kindergartens and pioneer camps to children, to return property to workers and to destroy the regime that has brought about a national humiliation for this country. We should perhaps emphasise not so much the philosophical principles which inspire us, so much as the practical means of how to actually fulfil them. And this, for me, is the real basis on which the left can unite.

Vladimir Khazanov (*Russian Party of Communists*)

I would like to address just a few words to the "Communist" spectrum. There are two distinct tendencies inside the Russian Communist movement today. The first of these may be described as "conservative"; that is to say, those who prefer to look backwards, seeing the future in the past. The other is "anti-Stalinist". They say we have never had any kind of "real socialism". Given the nature of these different tendencies, therefore, I am absolutely convinced that there should, and that there will, eventually emerge two diametrically opposed party organisations.

The Communist Party of the Russian Federation is not part of the Communist movement at all. Fortunately, there are many people like Boris Slavín (as well as others of different ideological outlook) who are campaigning hard to change this party's direction. Whether a climax will come at the next party congress, as has been hinted, or whether it is postponed to a later date, there can be no doubt that some kind of rift will come soon. And the sooner the ordinary rank and file members decide which direction they want to take, the better it will be for all of us.

Galina Rakitskaya (*Committee for Support of Working Class Movements*)

After the events of October 1993 and the destruction of the old parliament, followed by the catastrophe of the December elections, it is imperative that the left now embarks on a very critical discussion of its own actions and ambitions for the future. There is no left movement at all in Russia today. It simply has not been created. What exactly is the left democratic movement? If the left democratic movement is anything it is a movement for the working people, designed to protect and increase their rights, their interests and their freedom both in and out of the workplace.

A left ideology must reflect the dialectical mechanisms of change and the impact these mechanisms will have on ordinary working people. When I hear Communists like Boris Slavin declare that all that is required is for declarations affirming the need to give property back to the people, I cannot help but laugh at the naivety of such pronouncements. When were the ordinary people ever the masters of their property in our society?

Similarly, when Communists, Socialists and Social Democrats declare that the main thing is to appeal to the people and their sense of national pride or dignity, they are not only demonstrating the vacuity of their ideas and their understanding of what is actually going on in society, but they are also demonstrating a total lack of comprehension as to the strategic tasks that are currently required.

The real strategic task at the moment, for any left movement worthy of that title, is to focus on the nature of exploitation that currently exists in society and to find ways of combating and liquidating that exploitation, and in the process realise ways in which power can be genuinely transferred to the workers. And I use the word "power" here deliberately. We should not restrict ourselves to trying to feed and decently clothe the workers. That is something that capitalism can also do and often far better than us.

Likewise, we should be doing everything we possibly can to try and ensure that the ever-growing fascist tendencies in our society are combated here and now, before they make too many penetrative inroads in the consciousness of our people. The depth of our current problem and crisis consists precisely in the fact that we are becoming

more and more marginalised even as a force of opposition. The situation we face today is one in which an authoritarian regime of one type is faced with an opposition that is equally, if not more, authoritarian from a different perspective - and this applies just as much to the forces that have emerged out of the old CPSU as it does to the Barkashovs and the Zhirinovskii in our current political spectrum. We must engage in a decisive struggle with these other opposition tendencies that are mired in a totalitarian perspective.

Aleksei Prigarin (*Union of Communists - CPSU*)

I am a member of the Union of Communists - CPSU, a complex organisation with a double title, which was revived despite the opposition of many former prominent members of the CPSU, both from the left and from the right. Its current membership includes Communist organisations from ten former republics of the USSR, which together represent some one million people. I also belong to the Russian Party of the Union of Communists.

Even prior to the events of August 1991 [the attempted coup and the banning of the Communist Party], the CPSU contained different ideological and political tendencies. The existence of different strands inside the Communist movement is an indication of its vitality; it is a normal phenomenon and it is not something we should be overly preoccupied with. I would also say that we should be wary of differentiating these strands into two simplistic tendencies based on the kind of criteria we were given earlier. I would prefer to judge all political parties in Russia on the basis of three criteria: their attitude to the question of property and ownership, the issue of internationalism versus nationalism, and the issue of democracy or dictatorship.

In recent years, the extent of the social differentiation in society has increased dramatically. At the top is a very small strata of new bourgeois elements. Below them stands a larger strata of petit bourgeois elements, the new traders and speculators. And below them, there has emerged a new kind of proletarian class, people who are completely deprived of any rights in terms of the ownership of the means of production.

In this new proletarian class there is also a great deal of differentiation, ranging from hired labour with very little income at

their disposal to a new working class elite which receives extremely high salaries acquired from the existence now of surplus value at the disposal of the enterprise owners. One should also note the existence of a high proportion of working class intellectuals, as well as creative intellectuals, within the ranks of this new proletariat. It is to all these different strata, then, that the left movement must make its appeal. Already, for example, we can see that the new working class elite has effectively been "bought" by the supporters of the current regime. As for its lowest tier, this is increasingly becoming lumpenised and is therefore far more receptive to the political extremes of both the nationalist left and right.

On top of all this, the economic crisis in the country continues to grow. A new dictatorship is clearly an option on the agenda; and a dictatorship that would make the present Yeltsin regime look like a liberal paradise.

Vladimir Kizima (*Socialist Party of Ukraine*)

Many of the issues and problems raised in this forum have an equal relevance to our own situation in Ukraine. The one major difference is that in Ukraine it is said that the "left" has already come to power. Indeed, if Chernovil (the leader of Rukh) is to be believed, Ukraine has recently undergone a "red coup d'etat". The real problem is that the Ukrainian economy is going to deteriorate even further and this deterioration will inevitably be linked with the "left" having been elected. As for the right, they are currently engaged in a blocking process, designed to ensure that the new government is unable to take any effective measures.

As regards the crucial issue of the ideological and the social base for the left, I would agree with Boris Kagarlitsky that we simply do not have any general conception of a left ideological programme. In Ukraine at the moment, we find ourselves in a contradictory position. On the one hand, there is the development and growth of Ukrainian national consciousness and the formation of the Ukrainian nation, while on the other hand, the country is clearly affected by the worldwide process of international integration.

Our slogan for the strategic outlook of the party is "national and social independence". By "national" we are referring to the need to

have cooperation on an equal basis with all other countries, and by "social" we mean the creation of a non-exploitative system. From our perspective, it is impossible to understand the development or the situation of a left movement in one country without understanding the world situation and the global processes taking place. We have to understand that the left is not isolated from these world processes.

Given the problems that most of you face in being able to mobilise a social base, might it not be more effective for you to work inside the Communist Party of the Russian Federation, which does have a large membership?

Sergei Novikov (*Russian Party of Communists*)

The Communist Party of the Russian Federation is, in my view, not simply dominated by the nationalist tendency personified at the top of its structure by the likes of Zyuganov. It is also a party very much imbued with the political culture that so affected the previous CPSU apparatus. Indeed, I would barely be able to distinguish them from each other. It possesses a social base, the "enthusiastic pensioners" referred to earlier by Boris Slavin, who would like to think of themselves as Communists, or, in some cases, like to behave as Social Democrats, but who are nevertheless strongly committed to the nationalist cause of their leadership and who are totally motivated by the loss of the country's former great power status.

As regards the rest of the left movement in our country, I would tend to agree with Galina Rakitskaya rather than with Boris Kagarlitsky. The left movement, as an organised political force, never existed in this country until at least 1990/91. The anti-capitalist revolutions in Russia, China, and elsewhere led to the creation of a generation of non-Marxist Communists. We should all be very hesitant in accepting at face value the assumption that all "Communists" belong to the left in Russia today. In a sense, they are almost ideologically rootless, at least in the traditional understanding of ideological paradigms.

A key issue that I would like to address, briefly, is the very thorny question of the left's relationship to the concept of patriotism. It is my conviction that the left has made a very serious strategic

mistake in allowing this issue to be dominated by the forces of the right. Indeed, in many instances, we submitted without any kind of fight at all on this issue, believing that it was somehow not part of the left's remit at all to even consider the question as worthy of discussion or debate. Consequently, the right has had *carte blanche* over this issue and it is only now, belatedly, that we realise just how important this issue is to the ordinary masses. Our task must be to define, in a very precise manner, a left understanding of this concept. The task is by no means an easy one, but some possibilities, it seems to me, do suggest themselves, especially if we concentrate our attention on three key areas: the question of the state, the new economic order, and the complex issue of national culture.

Reactionary patriots are firmly in favour of the state being the dominant actor in all aspects of social life and wish to see it strengthened with virtual totalitarian powers. The left must speak out firmly against the modern state and its reactionary character. In other words, our "patriotism" must be citizen-oriented rather than state-oriented. Patriotism should not be reduced to something that is perceived as synonymous with the traditional values normally associated with Slavophilism or Russophilism.

And last, but not least, we should combat the deformations in our cultural life, not by means of appeals to some unique form of national culture, but by highlighting the fact that the growing obsession with specific forms of popular mass culture that appeals to the lowest or basest desires in people is just as much an attack on great classical art in the West as it is an attack on our own classical traditions as personified by the likes of Turgenev and Dostoevsky.

Boris Slavin (*CPRF*)

I respect Sergei's position, of course, though I do want to stress that, in our dealings and negotiations with each other, we ought to demonstrate a little more tolerance, if not respect, and we certainly should not go round levelling all kinds of abuse at one another. We all know that the coming to power of Hitler in the 1930's was partly connected to the fact that the Communist opposition was too inclined to describe the Social Democrats at that time as social fascists. As Marxists, our analysis must be more precise and we must learn to

appreciate the various shades of opinion and the different approaches that many of us have.

As regards Zyuganov, he, of course, will not be a permanent fixture of the Communist Party of the Russian Federation. Sooner or later he will have to respond to the left factions inside the party or tender his resignation. Unlike some of you here, I remain optimistic about the future and I agree with those who say that a notion of internationalism must be at the heart of the unity that we are trying to establish.

Finally, in response to Galina Rakitskaya, I find it somewhat naive to create some juxtaposition between the notion of exploitation and the desire that I expressed to concentrate on practical measures aimed at improving the welfare of our workers. The two issues are linked.

What lessons, if any, can you learn from the electoral victories of the post-Communist parties in Lithuania, Poland and Hungary?

Igor' Gotlib (*Movement for Democracy, Social Progress and Justice*)
Like Sergei Novikov and Vladimir Khazanov, I am a member of the Russian Party of Communists, as well as being a member of the non-party Movement for Democracy, Social Progress and Justice, based in Leningrad. I agree with Galina Rakitskaya and her notion that there is simply no left movement in Russia today. There is no organised working class with a basic working class consciousness of solidarity, nor do I expect this to emerge for quite a while. Having said that, however, I am willing to recognise that it is more than likely that there will emerge mass spontaneous protests against the consequences of the social degradation. This is clearly not the same, though, as an organised working class movement and there can be no inevitability that such a movement will put forth the kind of socialist values that we share in this room. In the West, the development of this type of movement took several centuries of capitalist development. In most of the former Communist countries, it will be impossible for the workers movement to repeat the Western experience. It will thus have to take a different path, through some other kind of capitalist development, and although this might shorten the process

(if it is a successful form of development), we are still looking at a time period of several decades before we can expect to see a really strong workers movement in place.

Some form of capitalist development is inevitable and the best-case scenario, therefore, is one in which elements of socialist relations will also emerge. Our real task must be to help induce a progressive content into this process and this can only be done if we are able to prevent the social degradation that is now occurring on the basis of Russia's transformation into a new colony of advanced Western imperialism.

The first thing that we have to accept is that there is no easy way, no one leap, that will get us out of the situation. The experience of the last three years should have taught us that the good will and good intentions of small groups of left intellectuals, and ideologies of pure socialist values, are not enough, by themselves, to create a left movement. It is, I repeat, a long term process.

What, then, can we do right now? The first thing is to analyse the real processes that are occurring and to try to understand what kind of society is being created today. There is, after all, an international context for the kind of internal developments taking place here. Secondly, it is imperative in the present climate that we pay more attention to the needs of the individual personality, not just people's desire to live better materially but also their spiritual needs. It is also on this basis that we have to develop a renewed ideology of the future left movement. Thirdly, looking at our current reality, I think it is important that we should start from the principle of "don't make it worse". In other words, as I have already stressed, we must put all our efforts into stopping the process of social degradation.

Taking issue, for the moment, with my colleague Sergei Novikov, I would like to express some degree of apprehension concerning the nihilistic approach that he and others often assume vis-a-vis other existing political forces, in particular the dominant currents inside the Communist Party of the Russian Federation. We have to be fully aware that this is a party that does actually correspond to the objective condition of a large part of the population, and there is therefore a danger that a nihilistic approach to these forces can turn itself into a nihilistic approach to many large segments

of society itself.

I come from Leningrad, and I would like to point out some of the things that are happening outside of Moscow, because what is happening in Leningrad now is probably similar to what is happening in other regions of Russia. One interesting feature is the way in which the new local bourgeois elite is attempting to integrate itself into international capital *independently* of Moscow and the Moscow power structure. Leningrad, because of its position, has easy access to sources of foreign capital. The power structure in Leningrad is totally free of any kind of democratic control. It has a comprador bourgeois, bureaucratic government, personally controlled by (mayor) Sobchak. In the elections held in the spring of 1994, only 20 per cent of voters went to the polls. This inability of the population to control governments is typical of the Russian regions. Leningrad will probably develop into a free trade zone. This kind of thing is behind many of the movements for regional separatism, which I think the left should be very wary of supporting. The left has to develop itself as an all-Russian left.

Finally, I very much hope, of course, that the current division of the left into many small parties and small groups will not last for much longer, and I am reasonably confident that we will be able to achieve some degree of unity in the near future, probably on the basis suggested by Vladimir Khazanov, when he talked of the formation of a new alliance or bloc of forces. This, at least, would represent the first phase of our attempts to make a much bigger impact on the political scene in Russia today.

Alexander Buzgalin (*Party of Labour*)

The potential of the democratic left in Russia continues to remain relatively low, it seems to me, for three primary reasons. Firstly, one must take account of the weakness of the existing mass democratic movement and, most of all, the limited potential for self organisation. The former totalitarian structure, together with the policies of "shock without therapy" are, of course, the main forces responsible for this lack of potential. At present, a form of corporatist-bureaucratic capitalism is emerging in our country, which is overpowering even the first shoots of a traditional civil society, to say nothing of its effect

on the workers and trade union movements.

Secondly, despite the efforts of some, there has as yet been no real definitive analysis of the theoretical and practical lessons of the global crisis of the former "socialist" system (its practice in the USSR and other countries, and as an ideology and a theory). As a result, there is no adequate theoretical basis for the strategy and tactics for a really new left movement, i.e. one that does not repeat the mistakes of the orthodox Communists and the Social Democrats (both branches of which are currently suffering from a highly advanced state of decay).

Thirdly, in order to create a "new left", a considerable amount of time is needed (especially to enact a transition from populism to Marxism), but time is the one thing we do not have in Russia. Hence the hastiness and the mistakes of the democratic left.

Finally, as for the recent elections in Hungary and elsewhere, I would echo many of the comments made earlier by Boris Kagarlitsky. These have clearly demonstrated that people have become extremely disillusioned with right wing tendencies and neo-liberals, although at the same time the left (the Socialist parties) have not been capable of conducting a genuine left politics. Their practice is virtually the same as liberalism, even if somewhat diluted with slightly greater quantities of social demagogy and greater doses of social welfare. Only in very small measures does it give any opportunities for trade unions and cooperatives.

The fundamental danger is that this kind of bureaucratic "quasi-left" orientation in these countries may once and for all discredit the last remaining vestiges and values of socialism. In some ways we are therefore trapped between the old Communist Charybdis and this new "post-Communist" Scylla. Navigating our way out of it is going to be no easy task. ■

Document

The PDS as Socialist Opposition Party

The German Party of Democratic Socialism (PDS), the successor party to the East German Socialist Unity Party (SED), was established five years ago at the end of 1989. In November 1994, the party leadership put forward a document, "10 Theses on the Way Forward for the PDS", which it proposed for adoption at the party's Fourth Congress in January 1995. The document led to a lively debate inside the PDS, in particular around two issues: firstly, the notion of a "social contract" which would, according to the 10 Theses, require "a common struggle for change by broad reform forces and, at the same time, a search for consensus", and secondly, the party's attitude to "Stalinism" and to the Communist Platform (a current inside the party). As a result of this debate, the party leaders (Gysi, Modrow, and Bisky) put forward a second, shorter document, consisting of just 5 points, under the title "Socialism is the Way, the Method, the System of Values, and the Goal". This document, which we reprint below, was meant to establish the fundamental political consensus inside the PDS and provide the foundation for its activities following the 1994 elections, in which the PDS won a substantial number of seats in the state parliaments in the east and is also represented in the federal parliament. The document was accepted at the party congress in January 1995.

Five Theses adopted by the Fourth Party Congress of the German Party of Democratic Socialism (PDS)

1. The PDS as a Socialist Party

The socialist character of the PDS is anchored in its history, accepted by its constituency, inscribed in its programme and statutes, and accentuated in its

name. It is the result of our certitude that the capitalist social structures are not only ill-fitted, but also absolutely incapable of solving the major problems confronting humanity. Domination by capitalist interests will continue to deplete non-renewable resources, hinder the harmonisation of the relationship between people and nature, accentuate social inequality domestically and on a world scale, promote the militarisation of society, and maintain patriarchy. For us socialism is the way, the method, the system of values and the goal. It involves various forms of socialisation of production, an end of capitalist domination, ecology, democracy, solidarity, social justice, the emancipation of humanity, overcoming patriarchy, freedom, the realisation of human rights, the elimination of unemployment, minority protection, equal opportunity in education and culture, and decentralisation. This means that our concept of socialism incorporates the highest degree of democracy and liberty. The issue is not whether and to what extent a socialist society can achieve democracy and liberality, but rather that the socialist character of a society depends upon its realisation of comprehensive democracy and liberality. Nothing can justify undemocratic and illiberal methods. With each step towards true democratisation, the extension of individual freedom, the dismantlement of social injustice, the enhancement of communal self-determination, we are making a step towards socialism.

We view democracy as a unity of representative, communal, direct, and economic democracy. For us on the left, liberality is the combination of deep humanism, individuality, human rights, personal freedom, rule of law, tolerance, minority protection, pluralism, social justice, as well as equal opportunity in education and culture in a society. This is linked to the irreversible renunciation of a Stalinist or post-Stalinist model of socialism, any model of socialism with a dictatorial, anti-emancipatory, anti-democratic, illiberal, and centralist character. There can be no going back to the period before the assessment made by Marx and Engels in the Communist Manifesto, that the free development of each is the condition for the free development of all.

The socialist character of the PDS demands not only a national but also a European and internationalist policy. This is in no way in contradiction to the struggle against the discrimination against East Germans and the devaluation of their lives and experiences. On the contrary, it is a prerequisite.

2. The PDS as an opposition party

The PDS strives for a democratic, social, ecological and civil transformation

of the Federal Republic of Germany, to open the way towards overcoming the domination of capital, environmental destruction, exploitation of the developing countries, and all forms of super-power politics. Therefore the PDS stands in principled opposition to the dominant social relations of the Federal Republic of Germany. This does not mean that we do not recognise and make use of civilising, democratic and social advancements of the Federal Republic. On the contrary.

The draft for a new constitution, submitted by the PDS-Linke Liste parliamentary group during the 12th legislative period of the Bundestag, for example, called not only for extensive constitutional changes, but paid tribute to and called for the preservation of essential elements of the existing constitution. If we really want to change society, because we are opposed to the existing social relations, then we must do so from within that society itself. For the PDS, this means participating in all progressive extra-parliamentary movements and, at the same time, struggling for wider parliamentary possibilities.

The question of whether a PDS parliamentary group should be in opposition, should tolerate a government, or should join a government coalition, doesn't affect the PDS's understanding of itself as an opposition party. Whatever role the PDS plays in parliament, it must always understand itself as a force of social opposition, in the sense mentioned above, and maintain its alternative social and political goals.

The decision as to which concrete role the party plays in parliament (which doesn't depend on the PDS alone) will be based, in the concrete circumstances, on the criterion of how we can attain the maximum of social transformation in terms of our programmatic goals. Even if the PDS were to commit itself, at some level, to a governing coalition, because this would be the best way at the time to achieve the maximum of social change, this would not, with a correct policy, alter its oppositional character with respect to existing social relations.

Therefore no abstract guidelines or rules can be established to determine which role the PDS should assume in parliament at any given time. But we are all in agreement that regardless of its concrete parliamentary role, the PDS sees its main priority to be its engagement in extra-parliamentary movements and actions. Its oppositional role is not affected by the role it might play in parliament.

3. Pluralism in the PDS

The PDS strives for a pluralistic society. In the light of its own history, the PDS considers its pluralistic internal organisation as a great step forward. We see the multiplicity of ideas, approaches and the standpoints in the PDS as an asset. The pluralism in our party is guaranteed through our statutes and explicitly emphasised in our programme:

But pluralism does not mean the absence of a clear, comprehensive policy for the party as a whole, or the lack of a distinct political profile. It has to be clear where the party stands on important issues, what the party is fighting for, and what it is fighting against. Parliamentary groups and leadership bodies have, in this respect, a particular responsibility. They have to be able to play an active role in politics on the basis of the party programme, its electoral manifesto, and party congress resolutions. It means also that delegates have to elect parliamentary groups and leadership bodies that can function and intervene politically.

The party is and will remain pluralistic. Through the strategic decision to have open electoral lists in parliamentary elections, we extend our pluralism even further. But this does not mean that in every leadership body, and in every parliamentary group, all of our internal political currents has to be represented. What is at stake here is the ability of the party to intervene politically.

There are limits no PDS member is allowed to breach. Nationalist, chauvinist, racist, and anti-semitic viewpoints are incompatible with membership in the PDS. This applies as well to Stalinist viewpoints. The decision of the December 1989 Extraordinary Congress of the SED to break with Stalinist structures remains valid. This means that we reject anti-democratic, anti-emancipatory, illiberal, vanguardist, and centralist concepts of socialism and party. These are incompatible even with the name of our party. The PDS, as a socialist party, can not and may not be anti-communist. The PDS is not prepared to renounce democratic-communist positions within its ranks.

4. The relation of the PDS to its history, to the history of the GDR, and to the "actually existing socialism" that has now collapsed.

Critical examination of history is and will remain an important concern of the PDS. Without such a critical examination, our present politics would be without foundation and our ability to structure politics for the future would be undermined. The PDS looks to the entire history of the German and international socialist movement. We know that this is a history of great

heroism and sacrifice, of great social movements and achievements, of a nearly inexhaustible wealth of ideas, as well as a history of enormous mistakes, errors and also, unfortunately, severe crimes. We face up to all of these aspects of our history and will persist in the struggle against a one-sided and undifferentiated presentation of it.

We carry a special responsibility for the history of the SED and the GDR, from which we ourselves have come. The PDS is probably the only party that has a special duty to exercise socialist criticism of this history. For us, it is not the socialist aspects of the SED and GDR that we judge negatively but rather the many non-socialist aspects. A socialist approach to this question demands an unrelenting criticism, as much as it does a differentiated evaluation. We have sincerely asked the victims of the repressive apparatus of the GDR for forgiveness and insist that this is the least that we could do. We continue to demand that SED property, now under control of the Treuhand Agency, be used as a reparations fund for these victims.

On the other hand, we will never reject or belittle the efforts and achievements of hundreds of thousands of SED members, hundreds of thousands of GDR citizens, their efforts to create a more socially just, more humane society, a society with greater solidarity. GDR citizens brought into a unified Germany both negative and positive experiences. No one has the right to force them to reject or devalue their own personal life histories or to prohibit them from making use of their own experience in the formation of the united Federal Republic of Germany.

The PDS will not embellish the social realities of the GDR. We resist all efforts to deny the anti-democratic, anti-emancipatory, illiberal, ineffective, and anti-ecological realities of the GDR. We will just as vehemently oppose any and all attempts to reduce the history of the GDR to its deficits, to ignore the historical context, or to glorify the roles played during the Cold War by powerful political and economic figures in West Germany. We will continue to contest the thesis that the GDR was an "unlawful state" (*Unrechtsstaat*) because this would imply a denial of the GDR's right to exist and it would be tantamount to accusing its citizens for having lived on the basis of its constitution and having abided by its laws.

We oppose the attempt to juridically persecute GDR citizens on this basis. But this does not mean the denial or justification of injustice, arbitrariness, violations of human rights, or deficiencies in the rule of law that existed in the GDR. For the PDS, a socialist critique of the history of the SED and the

GDR is of special importance because it is an essential prerequisite if we, as socialists, are never again to adhere to an anti-democratic, anti-emancipatory, illiberal, vanguardist and centralist concept of socialism.

5. The PDS' relationship to the SPD and Bündnis-90/the Greens

PDS policies are developed on the basis of its own programme and organisation. It has a clearly different profile from that of the SPD and Bündnis-90/the Greens. We respect the Social Democratic and ecological movements in German and international history. This respect entails not only recognition of our own failures, but the failures of the Social Democratic movement as well.

Since the extraordinary SED Party Congress of December 1989, we have always declared ourselves in favour of practical cooperation with the SPD and Bündnis-90/the Greens, in spite of our different political viewpoints. We stand by this policy, since we are convinced that the necessary progressive social transformation in the Federal Republic of Germany can not take place without or against the SPD and possibly also not without or against Bündnis-90/the Greens. Based on this assessment, it is inconceivable that we would view the SPD and Bündnis-90/the Greens as political enemies. They are political competitors, with whom we may have hard disputes, but with whom we remain ready to cooperate.

Such an approach also excludes any form of attempt at ingratiation. Our task is not to please certain members of the SPD or Bündnis-90/the Greens. Just as we accept that they are different from us, we expect them to one day accept that we differ from them. With respect to these parties, the PDS has no need for exclusionary rules. Forms of cooperation with the Social Democrats and Greens will develop gradually in extra-parliamentary actions and in parliamentary committees. The experience of cooperation is what will be crucial. It is therefore pointless to try to artificially force or prohibit such cooperation. What will determine our relationship to the SPD and to Bündnis-90/the Greens is their real attitude toward democratic, social, and civil progress in Germany. ■

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Creating a European Left

Interview with Ken Coates MEP

You have been active as a socialist intellectual and campaigner at the European level for some years now. Could you tell us what prompted you to become active at that level?

I became involved in the European Parliament after 1989 when it became overwhelmingly clear to me that the left, nationally, was hitting the buffers. It was no longer a question of cooperation. We had been dealing with cooperation between socialist parties, trade unions, and socialist intellectuals for two decades already, and we weren't the first. What became clear was that the changes that had happened in the world of industrial organisation, the transcendence of multinational capital, now actively prevented Social Democratic programmes at the isolated national level.

I'm not talking here just about audacious international programmes of the kind argued for by Ernest Mandel, but about defensive Social Democratic reform programmes like that of Anthony Crosland, that genuinely pursued equality and ameliorative legislation. The Crosland programme in Britain stopped when the IMF arrived in London on what we now know to have been a contrived mission. The Labour Government changed course and entered into its collision with the lower-paid and unskilled workers in the "winter of discontent". All of this was very instructive and the lesson I drew from those events was that every good impulse developed by the Social Democratic left

was working against it in this new political climate. The egalitarian impulse, for instance, although it had won widespread support, was actively breaking up the cohesion of the movement. (Look at the rise of Roy Fraser in the tool-room strikes in the Midlands in the 1970s, after the introduction of a very egalitarian incomes policy.) It was clear to me soon after 1979 that the Thatcher government was going to wreak such mayhem on British structures that recovery would be impossible without the generation of a thoroughly European response. So I became involved in the project of establishing the campaign for European Nuclear Disarmament (END) which had the effect of stimulating the coordination of the whole European left. (My later election to the European Parliament was quite by accident.) What I wanted to do was link the peace movements, the Social Democrats and Communists, and everybody else that was interested, including the churches and all people who represented some kind of alternative political space in Europe. For a time we succeeded in doing that. For about half a decade we really did have a "grand congress" of the European left and that was something that I thought very important.

One of the things I tried to do after my election to the European Parliament was to organise a joint session of the EP with the Supreme Soviet, which was part of my project for helping Gorbachev. We got the support of parliament for this joint session, believe it or not, but unfortunately Gorbachev lost his grip before we could deliver. This would have been an interesting and quite important event. It meant taking the initiative away from the people working in the back rooms and giving it to representative politicians who would not have been so biddable. I'm not saying politicians aren't corruptible; they clearly can be. But, as political representatives, they have a different role, and it's the role that matters.

You argue convincingly that the left had to start operating on the European level and you yourself have been very involved in the intellectual work of developing a Euro-Keynesian recovery strategy. What is involved in this and do you think that this work has been influential?

We all thought of this recovery programme as Keynes-plus. You can't simply transpose national strategies to the level of the European state,

first of all because we don't have a European state and secondly because of the unevennesses involved. I worked closely with Stuart Holland on this, since first he published *The Socialist Challenge*, a book which is a very serious socialist theoretical analysis. It looks at what happened to the mechanics of late capitalist economies as a result of the development of multinationals. Basing himself on this analysis, Holland created a European team which agreed the programme *Out of Crisis*. This argued for joint action by socialist governments for a programme of recovery. On the day it was published the French socialist government announced its austerity programme and the whole programme was dogged by this kind of experience. It became clear that joint action was not enough. We needed combined action. Later, a lot of Stuart Holland's analysis went into the Delors White Paper which was adopted by the Commission. There are different policies in such official documents, of course, often contradictory ones, and you have to examine them carefully.

The problem is that the capitalists will only act if they are scared out of their wits, and they are not scared right now. Unemployment does not scare them. Communism scared them and, when it was too late, fascism scared them. It was at this point that Keynes found his arguments were winning. What we have here is a failure of political imagination. They ought to be scared by a society in which there is wholesale social exclusion; it is actually a terrifying prospect, whole sections of the population for whom normal social life is impossible.

There were a short few minutes after the Second World War in which Keynes's hour came and there was an international community which listened to part of what he had to say, only part. Keynes couldn't get international money; he got the dollar, with all the consequences we are now aware of. There is a possibility and a need for a new Keynesian order because, if there is to be a single European currency, you need relations between regional systems, with something close to parity among the main contenders.

I don't see any alternative to the strengthening of a European space. I don't see how ordinary people can defend themselves without such a space. Take, for instance, the English regions destroyed by the pit closures, where people live on the margins of the modern

economy. What can we offer them? In the old days, we could put up a barricade. But where do we build a barricade now, with what effect? If we were, god help us, to seize power in Westminster, what would we do with it? If we nationalised the means of production, distribution, and exchange, we would be left with a lot of sheds because all the things that have to be done in them are resourced, researched, and developed elsewhere. Without integration, we would be in a worse chaos than the Russians are now. That is not a possible model.

It is an enormously daunting task, creating a European left. We have to create, effectively, a European labour movement. Our generation had a European activity in 1968; then it was Paris, London, Rome and Berlin. Maybe we'll get more of those. But what do they do? They touch the imagination. But in order to change anything you've got to be able to continuously associate people in a common project, and you've got to do it over that whole area. It seems impossible, but when you've done it it's going to look pretty good. It is a need; it just has to be done. There are 7 million long-term unemployed in Europe now. That is as many as the population of Austria.

You have yourself undertaken some initiatives in the European Parliament which have aimed to bring people together in a common European project. Could you tell us a little about this.

During the last two years of the last parliament I have campaigned for an intervention to help to structure a European civil society. It is not enough to have a rich civil society in each nation state; you've now got structures which compel Europe-wide association, on whatever issue you might care to mobilise. If you want to campaign on animal rights you can not rest when you've lobbied Westminster because there is a whole paraphernalia of European regulations that affect you. I looked at some of the social areas where there are the biggest impediments to this kind of cross-border cooperation. I wanted to bring together the unemployed, and I'm still working on this, and I also wanted to bring together pensioners, women, ethnic groups, and the disabled. I started in 1989/90 and I wrote to representative people and organisations in those fields. I got a very powerful response from

the pensioners and in 1990 I began to campaign actively for a European Pensioners Parliament. We got agreement and, although it cost a lot of money, it actually happened and was a wonderful event. We actually got them together twice, once under the auspices of the European Parliament and once under the auspices of the Socialist Group.

The organisations of the disabled then got in touch and they organised themselves for the Disabled Parliament. They wanted to use the hemicycle in Brussels and, although the EP initially objected, they won out and met in the EP's own building. It was a wonderful experience to observe. It was a profoundly important event because it puts the seal on the trans-national nature of that lobby. All the different national groups were exchanging addresses and phone numbers and it really does make a step towards a European civil society.

Could you perhaps say a little about the present debate inside the Labour Party and how this relates to general developments in European Social Democracy.

It is very interesting what Labour is doing, or could have done without any big reliance on unforeseen events. Smith had united the LP on a traditionalist basis, electorally very popular. Smith had reasserted the necessity of full employment as the core of a Labour Party programme. He got into difficulty on this problem of modernising relations with the trade unions, a problem imposed on Smith. Blair had been in charge of negotiating with the trade unions and he was very abrasive and kept moving the goal posts, which made the unions very cross. Smith intervened, took over, imposed a solution, and then went to the TUC and made a strong appeal for full employment, minimum wage, and all the rest of it. In the new Blair biography it is recorded that Blair was "extremely annoyed" by this because he believed it had made the Labour Party unelectable since no one can do anything about full employment. Kinnock agreed with him. Had Smith survived and the commitment to full employment not been cast aside, then this would have led Smith straight into Europe with the need for a strategy, first and foremost, for cooperation with the other socialists. Some are

ready for that and some are not. The French socialists are so shattered today that a new strategy, coming from a resurgent Labour Party in Britain, would have had an electrifying effect in that country.

A lot depends on how such a strategy is initiated and it can not be initiated without one or more of the major socialist forces running with it. It could be done by the Germans but I do not think that the Germans are going to do it. One could look to Sweden, but it is difficult to do it from the periphery. So the loss of the full employment strategy in the British Labour Party would be desperate news not only for the British but worse news for Europe because it would annul the positive strategy that the Labour Party could have initiated throughout the European community. All the other issues, for instance monetary union, have to be situated in this context. Monetary union when unemployment is rising across Europe is one thing; but monetary union when 15 million new jobs are being created is something else (jobs created by investment in infrastructure, shorter working time, etc.).

If this is all gone now from the Labour Party than it won't create new jobs at home either, and the distress here in Britain will discredit it very quickly.

The big problem here is for the European socialists, where there is a great deal of demoralisation. Craxi is in exile and leading members of the Italian Socialist Party are in prison or appealing. The French socialists are in tremendous disarray. Gonzales is likely to fall in Spain and if he does fall it will be very difficult to avoid a period of disintegration. So you don't have anything solid there of which you can say, this is the force that we can draw on. What we have got is a tradition all across Europe that predates recent manifestations of the left in government, and that is a culture of organisation and a tradition of responses to problems, a literature and a profession of belief which does amount to something. It takes at least one dynamic impulse to begin to restructure all of that. But if you don't see where that dynamic impulse is going to come from, then the whole scene begins to look bleak. If Blair's project succeeds, then that could mean turning our back on the European labour movement, not out of wilful choice but because what would then come about would be the lowest-denominator Europe (Europe of nation states, no extension of qualified

majority voting, and so on).

At the moment widening is set against deepening. But even this question gets falsified in the Blair-Cook model. It is a false perspective of maintaining these discredited nation states. But let's forget about states. My project is not a united Europe but a united European labour movement. Such a united labour movement could then decide what it thinks the right politics for that geographical area in, I hope, a decent way. You can not separate the creation of a European labour movement from the solution of the problem of political organisation. These have to be tackled together. We should create the kinds of structure, the kinds of European constitutions that actually answer the needs of the European people.

But, at this point in time, it is the recovery of full employment which is the beginning and the end of any kind of humane socialist policy. Unless you can find a way to do that, you are moving out of civilisation. What alternative is there. You can rebel, put up the barricades, overthrow the capitalist power in some corner only if there is a global movement which gives a different sense of direction, that makes an alternative option real. If such a project could begin to be seen at the level of Europe, it would carry everything in front of it.

What do you think is the main case, for the left, against involvement in the EU, and what's your response to it?

The left opposition to involvement in the European Union has various strands. Firstly, we are told that the European Union is a capitalist club, establishing a common market, and therefore unhallowed ground for socialists. To this I would respond that the socialists will find themselves on this ground in spite of their own best endeavours, and it would therefore be prudent of them to organise themselves in order to change matters.

The second objection to membership is that the European community is not democratically administered. This is true, but it is even more true to say that the individual member states of that Union are not democratically administered because they have lost the power to influence, let alone control, the macro-economy.

This means that all national governments are more or less impotent in major areas of policy. Of course, they retain the democratic credibility that results from their capacity to influence benefit levels, but it is even more important to be able to reduce unemployment levels. What national governments cannot do separately, might, with the will, be done if they were able to act together. But this is an academic question: they do not have the will. Yet, socialists might be expected to have the will: and how can they bring it to power if they do not join together?

Is the European Party of Socialists a serious party, and does or can it function as a network for policy coordination?

Yes and no. There are millions of socialist voters, and hundreds of thousands of activists, all of whom are profoundly serious about the need for a different way of life. But there are hundreds, if not thousands of senior officials, deputies, and functionaries, who are lost in the institutions of nation states which have been crippled in the way I have described. They play a key role in determining the policy of the European Party of Socialists and their influence is not good on the whole. It is no accident that the best ideas have come from the socialists within the European Commission, and also from the European Parliament, which are two institutions in which thinking on the European scale is not only possible but necessary. The Party of European Socialists will not come into its inheritance until it is able to mobilise a mass membership, directly. Then the members will be able to control the leaders and, where necessary, re-educate them.

Do you think an initiative from socialists in the European Parliament could influence EU policy towards Eastern Europe?

I think it already has, but not necessarily for the better. Old habits die hard, and the predominant response of Western socialists to the break up of Communism was to seek to colonise in the East for Social Democracy. This was generally very unsuccessful, and, in some cases, quite disastrous. What should have been done is that the Socialist Parties in the West should have sent ambassadors to listen and report,

and to have established exchanges, not along some preordained party line, but along various axes of enquiry. If you want to influence policy, you have to understand what is happening, and it is better to listen if you wish to do that.

How do you think the European Parliament might be able to help the left, here and in Eastern Europe? How might the left in Eastern Europe make use of the European Parliament?

The European left, both inside and outside the European Parliament, should encourage the East European left to associate together. Before there is widespread accession of Eastern European states to the European Union, there needs to be a link-up of Eastern states themselves. Separately they are too weak to enter the bargaining processes that are entailed in European Union. Together, they will amount to something. For the Western Europeans, The great problem is that "widening" to the East has become a strategy of the European right, to prevent the "deepening" of social welfare and protection.

How would you describe the different currents inside the British Labour Party?

There were many different currents in the old Labour Party, but in the new there are only two. The establishment has become tired of opposition and seeks office by embracing the principal tenets of Manchester Liberalism. In this sense, Mrs. Thatcher has exercised a powerful influence on the thinking of Mr. Blair, just as she always proclaimed was her intention. She wished to see two non-socialist parties in competition about who would keep alight the flame of enterprise and free markets. Most people in the Labour Party are not so keen on this commitment, but at the moment they don't know what to do about it.

Ken Coates MEP was interviewed in Chesterfield on 18 February 1995 by ***Gus Fagan*** and ***Peter Gowan***.

Public Ownership

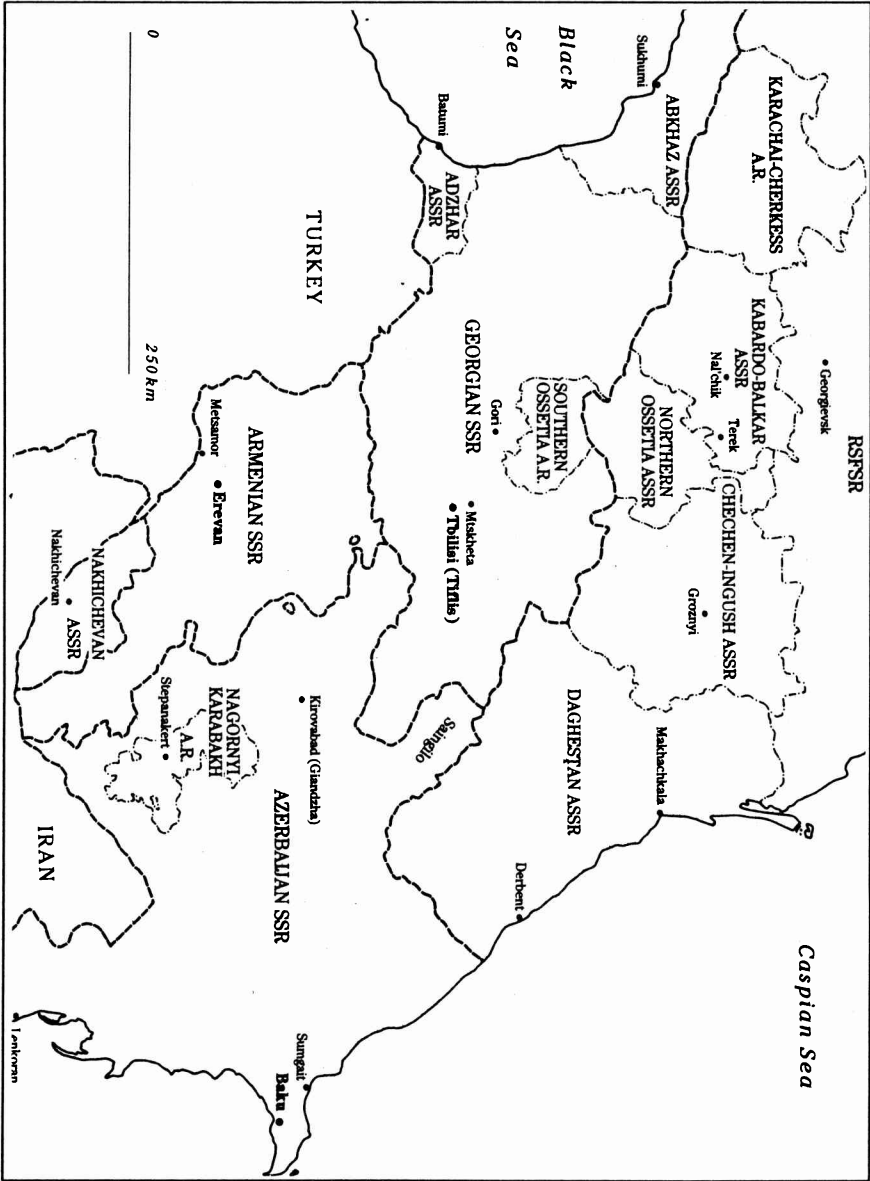
Sidney Webb said his draft for Clause IV [of the Labour Party's Constitution] left open the choice of forms of common ownership "from the co-operative store to the nationalised railway", Today, the nationalised industries have been dwarfed by the emergence of transnational enterprises, and the "commanding heights" are often run off-shore. The big multi-national corporations centre their research and development in sheltered havens, often far removed from their main production facilities. Beyond doubt, this means that public ownership needs to move in two directions at once: up to the transnational level, and down to the local and regional level. Surely the European Central Bank will be a public institution? And are not combines or co-operatives of public corporations necessary in such vital fields as telecommunications and transport?

With all their faults, the nationalised industries in Britain took over some of the most backward plants and enterprises, and brought them from dereliction to the very peak of performance. Nationalised coal generated the highest safety records, the most advanced scientific expertise, and the most sophisticated technology and equipment. Private capital will restore this industry to the Victorian age; and situate it in the deepest squalor and poverty.

While some privatised industries must be recuperated by the public sector, Harold Wilson seized on an important truth when he advised us that public enterprise should enter the growth sector of the economy, and not restrict itself to the nationalisation of losses.

Since 1918, there has been a continuing argument about the relationship between ownership and control. Labour has got the worst of this argument for a large part of the time. Nowhere can this be more clearly seen than in the domain of pension funds, which represent deferred wages, and should clearly be the property of the workforce, together with those that have retired. But normally such funds are not under the control of any representatives of the workforce. The establishment of democratic control of all such funds would today totally transform the prospects of common ownership and worker participation.

From Ken Coates MEP, *Common Ownership and the Labour Party* (Nottingham 1995).



The Caucasus in the Soviet period

Vicken Cheterian

Caucasian Solidarity: a Myth?

The Russian army, advancing to Chechnya on 11 December 1994, confronted resistance even before entering Chechen territory. Two of the three columns advancing towards Grozny were halted for several days in neighbouring republics. In Ingushetia, to the west of Chechnya, women and children blocked the route of tanks, while armed men forced out the Russian soldiers before setting fire to their vehicles. Over twenty vehicles were destroyed. Itat-Tass news agency quoted interior ministry sources as saying that four Ingush had been killed and twelve others wounded in the fighting. In Daghestan, to the east of Chechnya, villagers took 59 Russian officers and soldiers as hostages and blocked the advance of the army. The only part of the operation that appears to have gone smoothly was that from the north, through Tolstoy-Yurt, a region held by Moscow-backed Chechen opposition forces. The Russian defence minister, Pavel Grachev, was furious. He accused the Ingush president, Ruslan Aushev, of "declaring war on the Russian president".

Many observers, politicians, and journalists predicted the spread of fighting outside of Chechnya to the other republics of the North Caucasus. *Moscow News* weekly carried a first-page article about the war titled "The Second Caucasian War", comparing the war of today with the thirty-year anti-Russian rebellion, the fiercest resistance the imperial Russian army confronted in the 19th century. Other articles drew comparisons between Imam Shamil, the legendary leader of the first Caucasian War, and the Chechen leader, Dzhokhar

Dudayev. "The Russians, who manifest a total ignorance of their own colonial history ... reinforce the similarities [between Shamil and Dudayev]", writes a commentary in *Le Monde*.

Yet, as the Russian armies concentrated their attacks on Grozny, the spread of the war did not take place. True, in most North Caucasian towns offices were opened to collect humanitarian aid for the refugees from Chechnya. Groups of volunteers were also formed in Abkhazia, Adygei, Kabardino-Balkaria, Ingushetia, and Dagestan to join the struggle of the Chechen fighters. But the generalised rebellion did not take place. Is North Caucasian solidarity just a myth?

Caucasian or ethnic loyalty?

Despite the fragmentation of the North Caucasian population into various linguistic, ethnic, tribal, and clan groups, the inhabitants were, in the past, unified by their *gorskii* (mountaineer) identity. Shamil headed a coalition of mountain tribes, united also by the Nakhshbandi Soufi Muslim religious revival. Islam thus served as an ideological force against the "infidel" Tzarist soldiers and Cossacks threatening to occupy their lands. This "mountaineer" identity was fought against by Tzarist and Soviet authorities alike. In 1918, after the fall of the Russian Empire, the Gorskaya Respublika, or the Mountain Republic was created and, when the Bolsheviks had consolidated power, it was made into an "autonomous republic". In the years that followed, different national republics were created, until the Mountain Republic itself was dissolved in 1924. The newly drawn borders signalled the beginning of a new national consciousness. The creation of written languages, in the cyrillic script, also lessened the influence of classical Arabic, which had united the clergy and intellectuals of the region. A crucial imprint of national identity was the deportation of the entire populations of the Chechen, Ingush, Karachai, and Balkar by Stalin in 1944. On the basis of official nationality, some peoples were deported, others not.

Dudayev's rhetoric has been an amalgam of Chechen nationalism, pan-Caucasian and pan-Islamic unity. Dudayev and the Chechen independence movement were active in the creation of the Caucasian People's Confederation (CPC), which regroups 16 North Caucasian peoples. In fact, Dudayev considered his movement to be the avant

guard of the whole North Caucasian liberation struggle that would end in the creation of a "common Caucasian house" stretching from the Black to the Caspian Sea. When Sukhumi, the site of the CPC parliament, was under the control of Georgian troops (August 1992 to September 1993), the Caucasian Peoples' Confederation made Grozny the centre of its activities.

In a televised speech in December 1994, Dudayev appealed to the population of Daghestan to unite with his people against the Russian invasion. "I call on the Daghestanis to unite with us at this difficult time for the Chechens and not to allow Russia to strangle freedom in the Caucasus", he said. "In the name of Allah, I call on all peoples of Daghestan to rise with weapons, since grief may also come into your house." Daghestan has enormous strategic importance in case of a guerilla war because of its overwhelmingly mountainous surface, and because of its border with Azerbaidjan, the only CIS country where there is no Russian military presence. The Chechen leader has also called on Islamic states, for instance, Turkey, and also the Afghan Mujahidin, for military support.

Cracks on the Caucasian front

In spite of these pan-Caucasian and Islamic appeals, Dudayev's political agenda was markedly Chechen nationalist. When Chechnya declared its independence from the Russian Federation at the end of 1991, none of the other sixteen nationalities in the Caucasian Peoples' Confederation followed its example. Moreover, the rise of Chechen nationalism made many of the "little peoples" of the North Caucasus feel threatened. In this mosaic of minorities, the Chechens, who number around 1 million, are the most numerous. In the spring of 1991, there were clashes in Daghestan between the Chechens and the Avar and Lak population in neighbouring villages. Some Daghestan leaders have expressed their worries about possible Chechen territorial demands, which would be a fatal blow to the unity of multi-ethnic Daghestan.

The Ingush are closely linked to the Chechens, culturally, ethnically, and linguistically. In the Soviet era, the two peoples were part of the Chechen-Ingush Autonomous Republic. The Ingush, who number around 180,000, while not opposing the Chechen drive for

independence, prefer to establish their own statehood and remain within the Russian Federation. The Ingush had their own territorial conflict with North Ossetia and looked to the Kremlin for support. This caused tension in 1990-91 between the Chechens and the Ingush.

The North Ossetians, another neighbouring republic to the west of Chechnya, have suspected tacit Chechen military support for the Ingush during the violent clashes between the Ossetians and the Ingush in November 1992. Finally, there were the divisions among the Chechens themselves, divisions among clans and a struggle for power that turned into a civil war before the Russian invasion.

In spite of these many cracks, North Caucasian solidarity demonstrated its force on a number of occasions. Russian troops twice before entered Chechen territory to suppress the independentists, in November 1991 and November 1992. They were forced to withdraw, however, fearing that bloodshed in Chechnya would strengthen the radical wing within the Caucasian People's Confederation and spread the independentist fever into the other autonomous regions of North Caucasus. In the war between Georgia and Abkhazia, the CPC mobilised several thousand volunteer fighters in Chechnya, Dagestan, Kabardino-Balkaria, Karachai-Cherkessia, Adygei, and elsewhere. This military support was instrumental (alongside the support of the Russian military) in the victory of the Abkhaz over the more numerous Georgian forces.

It is true that in most of the North Caucasian provincial cities the political elite has not changed since the time of Brezhnev. It is also true that the emerging nouveaux riches in this area all have their interests linked to Moscow and have no interest in getting into a confrontation with the centre. The majority of the population, however, do not have such a vested interest in the link with Moscow. Unemployment is very high in the North Caucasus, while wages there are 30 per cent below the Russian average. Not only in Moscow, but also in cities such as Stavropol and Krasnodar, people "with Caucasian features", with black hair and pigmented skin, suffer police harassment, arrests, and difficulties at all levels of the bureaucracy. Within the Russian Federation, Caucasians are treated as second-class citizens. This kind of treatment from the Russian authorities strengthens the traditional suspicion of the northern power and



Russian mothers protest against war in Chechnya

increases internal solidarity against the outside "enemy".

The official Russian media insist repeatedly on the participation of foreign "mercenaries" on the Chechen side, coming from Ukraine, Azerbaidjan, Pakistan, Afghanistan, and the Baltic States. According to Russian federal counter-intelligence reports, "several thousand mercenaries with modern weapons" have been fighting on the side of the Chechen forces. The origin of such declarations is the need to explain why superior Russian forces were having such difficulty in capturing Grozny, a city with a population of around 400,000 people before the outbreak of war. But there are no statements from Russian officials claiming the participation of North Caucasian fighters on the Chechen side. According to Emil Pain, Boris Yeltsin's advisor on ethnic affairs, the situation in the North Caucasus outside of Chechnya has been "quiet on the whole" and there had been no "mass protests" in response to the Russian action.

In spite of Russian insistence on the absence of active solidarity in the North Caucasus, discontent remains strong. Ingush leader, Aushev, accused the Russian troops of committing "crimes" on Ingush

territory. He said that he had cabled Yeltsin, demanding yet again the repatriation of the Ingush forces expelled from North Ossetia in 1992, the number of which he put at 70,000. Thousands of refugees from Chechnya, among them tens of thousands of Ingush, crossed into Ingushetia in February/March 1995. Relations between Russia and Ingushetia have been very tense since November 1994, when Russian troops stationed in Ingushetia killed five Ingush while attempting to arrest them.

The occupation of Grozny does not mean the end of the war. All the facts point to the beginning of a long guerilla war. According to Dudayev, speaking on the Russian Ostankino television: "This is the centuries-old tactic of the mountain people. Strike and withdraw, ... exhaust them until they die of fear or horror." The Chechen resistance, with armed groups supporting them in the other republics, can launch attacks even outside the borders of Chechnya, making the Russian soldiers feel and behave like an army of occupation over the entire North Caucasus. The Russian invasion unified the divided Chechens behind Dudayev. Many from the Chechen opposition forces, having fought previously for the downfall of Dudayev, have joined the resistance to the Russians in the defence of Chechnya and its independence. Will a prolonged resistance unite the divided Caucasus behind Chechnya? ■

Renfrey Clarke

Public Opinion in the East: the Eurobarometer

Ask a citizen of the former Soviet Union what he or she thinks of "the market", and in well over half the cases the answer is likely to be something unprintable. Go on to ask what ordinary people can now do to change things, and the verdict on the state of democracy and human rights will almost always be hostile.

This is part of the message ("shocking" according to the liberal Moscow press) that flows from the European Union's annual Eurobarometer Public Opinion Poll, results of which were released in mid-March. The "choice for capitalism" made by the former Soviet elite, citizens of the CIS countries have now realised, was never meant to be in the popular interest. Nor was the population to be allowed to block or reverse the move; the promise of democratic rule was a sham.

In the survey, conducted last November in six CIS countries, 57 per cent of respondents indicated that they saw the move to a market economy as "an absolutely incorrect step". This was well over twice the number of people (24 per cent) who considered the move correct. In Russia, opponents of the shift to capitalism outnumbered supporters by three to one, and the number of people disillusioned with the process of "reform" was 12 per cent above the level a year earlier.

The broad sense of disappointment and bitterness was confirmed when interviewees were asked the question: "In general, do you feel things in your country are going in the right or wrong direction?" In Russia, 72 per cent answered "the wrong direction", while only 16 per cent thought the trend of developments was correct. In Ukraine this latter figure was as low as 13 per cent. Asked "In general, are you satisfied with the process of democratisation in your country?", no fewer than 83 per cent of the Russian citizens surveyed answered "no". Only 8 per cent were satisfied. The hopes of democratisation and prosperity were always far-fetched, even when sincerely held. The Eurobarometer poll laments "the rapid growth of mass disappointment with democratic change, and the large number of people who feel that they lived better under the old regime".

If majorities in the former Soviet republics now feel that the shift to capitalism was a mistake, this does not indicate broad support for any alternative course. There is a widespread sentiment that could be summed up as follows: "Whatever you're doing to us, get it over with, so that the suffering can end!"

Almost everywhere in the CIS, the Eurobarometer poll showed majorities complaining that "reform" had proceeded too slowly. In the months since this poll was taken, various additional opinion surveys

have shown how the moods of the former Soviet population have been evolving. In the case of Russia, these polls show a further darkening of the collective vision of the future, as the war in Chechnya has shown that the new state authorities are no less savage than the old.

One of the processes charted in these polls is a further collapse of belief in political institutions and personalities, especially in Russia. On 17 March 1995 the results were announced of a survey conducted by the Sociological Centre of the Youth League of St Petersburg. People of all ages in Russia's second-largest city were asked: "Who would you vote for, if elections for President of the Russian Federation were held tomorrow?" No fewer than 69 per cent indicated they would not vote at all. Of those who would take part, the largest single number, 8.9 per cent, would vote for ultra-rightist Vladimir Zhirinovskiy. President Boris Yeltsin could count on the support of 3 per cent, and liberal oppositionist Grigory Yavlinsky of 2.2 per cent. Polls in January and February indicated that 72 per cent of the Russian population lacked confidence in Yeltsin, while only 8 per cent had some trust in him. A total of 57 per cent thought he should resign.

The feelings of passivity and helplessness that have largely characterised the Russian population are by no means universal, and they will not last forever. Where the economic situation is particularly bad, or where workers are unusually well organised, powerful resistance movements are capable of springing up. This was suggested by a recent poll taken in Omsk, an industrial city of more than a million people in Western Siberia. With many defence factories, Omsk has been hit hard by the failure of the Russian government to meet its debt obligations. Workers in the city have faced constant delays in wage payments. According to a report early in March, a survey commissioned by the Omsk Province Committee on Family and Children's Affairs showed only 20 per cent of the local population feeling confident about the future. Forty per cent were "extremely worried". Asked what they were prepared to do to defend their interests, 65 per cent of the respondents replied that they were ready to take part in strikes. A stunning 30 per cent were ready to participate even in "mass disturbances". ■

Peter Gowan

East Central Europe's Headless Hegemon

Five years after the start of systemic transformation in East Central Europe, policy-makers in the region are well aware that they are living in a zone of political-economic subordination in which their place in the international economy and in international politics is largely being decided for them by the Western powers: their own role is to accept responsibility for the results of what is decided elsewhere.

The economic mechanisms of this subordination are visible in every direction: the region's debt problems; a shock transition without capital markets making governments with slump-induced deficits and enterprises in collapsed markets without domestic sources of cheap credit desperate for access to Western capital markets; a debt- and shock-induced export imperative whose only pathway led Westwards towards the EC's trade regime; and a mounting tide of technical bankruptcy amongst enterprises making managements desperate, in the absence of domestic money-capitalists, for Western buy-outs. These economic forces have been supplemented by the political corsets of conditionality, of Western military dominance, of the absence of co-operation among states in the region, driving them into competitive struggles for Western favours, of the role of Western institutions in legitimating parties and governments in the region, and of the continuing understandable need for political leaderships to offer their increasingly poverty-stricken electorates a radiant future "in Europe".

Subordination to outside powers is nothing new for East Central Europe. And in post-1989 conditions it has been available as a regional

periphery for West European capital, much like East Asia for Japan or Mexico and other parts of Latin America for the USA. But whereas in the other two regional peripheries the subordinate countries have known who their regional economic hegemon is and what it wants, East Central Europe has been subordinated to one hegemon in the macro-economic field and to another, which has turned out to be a kind of leaderless hegemonic polyarchy in the planning of its "supply-side". This, we shall argue, marks it out and shapes its future in potentially very damaging ways. And the overall effects of this are making the prospects of eventual EU membership ever more distant for most countries in the region, if not utopian.

I. US Leadership of the Transition

It was, perhaps, inevitable that the macro-economic strategy for the region would be geared to American interests and approaches. Within the Western alliance only the US can lead, though West European states can club together to resist that lead. But what has been too little commented upon have been the alternatives to these US approaches that were on offer in 1989 and to the very damaging effects upon the region of the combination of US dominance over macro-economic strategy and EC control over the "supply side" strategy.

Opportunity lost

The hope of 1989 was that the West, particularly the West Europeans, would see the region primarily in strategic macro-economic terms: an EC burdened by over-production in the key motorforce sectors of the post-war boom - consumer durables - would see the opportunity for a renewed cycle of West European growth, through stimulating effective demand in the East and through special measures to tackle transitional payments problems. There could have been a series of sectors in which the ECE region was strong, which could have been given space in West European markets, and at the same time the region could have become a big market for consumer durable exports, thus boosting Western growth and allowing some Western restructuring to give the ECE economies a real stake in the West European

division of labour. Like Japan in East Asia, dominance would have been maintained through technological ascendancy and control of the commanding heights of the product hierarchies. The effect of such a strategy would have been to have conducted systemic transformation to capitalism in Eastern Europe in a growth context.

Plans of this sort were canvassed in Western capitals in 1988 and 1989. The Deutsche Bank's president, Erhausen, put forward a scheme involving some protection for ECE countries, plus a major effort at infrastructure investment in the region within a growth perspective. The French government came forward with similar ideas, but, wishing to avoid domination of the process by the German banks, it proposed a new public multilateral bank to be geared to reconstruction and development. These ideas were not, however, acceptable to the Bush administration. It wished to subordinate growth to systemic transformation and insisted upon a dominant role for the IMF and World Bank. After Erhausen was assassinated, the Deutsche bank dropped its strategic vision. And the French plan for the EBRD was emasculated by Washington.

IMF stabilisation plus EC trade regime

If ancient mariners faced a choice between crashing against Scylla and being wrecked upon Charybdis, the wretched helmsmen and women of East Central Europe have had no such options: they have been battered by both. The IMF "stabilisation" regimes for ECE have been the familiar ones of 1980s Latin American experience. Through domestic credit squeeze and wage controls, combined with price liberalisation, a domestic recession drives existing enterprises outwards in a desperate search for export markets in order to survive. The result is normally to produce an export surge, based upon traditional export industries, and price competition in export markets. The resulting surge produces a positive trade balance for a while and thus ensures that Western creditors get paid.

Whether or not this tactic brings temporary success depends upon the trade environment. In the East Central European case, enterprises, fleeing in terror from the domestic market consequences of IMF austerity onto the export front found themselves facing the massed fire-power of the EC's trade policy regime. This was

particularly focused against precisely those sectors in which the countries of the region were strong: agriculture, steel, iron, chemicals, textiles and apparel. The vigour of EC action against these export efforts was re-enforced by the recession in Western Europe in the early 1990s and the squeeze on weaker businesses throughout the Community from the implementation of the Single Market programme.

The effect of this double whammy has been that the export boom has not materialised and the countries most threatened by the debt trap are back where they began. The sacrifices of living standards by ordinary people in the region, in the cause of an IMF-style export boom, have been in vain. They therefore face further erosion of living standards and social protection systems.

The country to emerge with the least damage has been the Czech republic, which has had the smallest debt burden and whose exports have been less centred on agricultural products. Hungary, once "in the lead", is now severely weakened, facing a serious debt re-enforcement, a continuing large budget deficit, a collapse of agricultural output, an industrial output decline of perhaps 40 per cent, a sharply deteriorating trade balance, and virtually no growth in 1994. Poland has been assisted by the writing down of some of its debt and, after a severe industrial decline, has gained some growth over the past two years. But its trade balance remained shaky in 1994 after a disastrous 1993 and its budgetary squeeze remains severe.

Anglo-Saxons versus the EU

It is inconceivable that the Bush administration was unaware of the radical incongruity of IMF stabilisation packages for the region and the EC's trade regime. Apart from anything else the American government quickly sought to link up with the new elites in the region by denouncing the EC's trade policies and pledging its support in a drive to prize open EC markets. Indeed, Washington turned East Central Europe into an instrument of pressure against the EU in the protracted GATT negotiations and associated trade disputes between itself and the EU up to the conclusion of the Uruguay round.

The specific British contribution was to combine resolute support for the US positions within the IMF, with a demand for the swift inclusion of the whole region within the EC: a demand which had

as its object the internal disintegration of the EU through expansion to the point of incoherence. Since the governments of the region desired to enter a strong, deeper EU, British claims to be their champions were hollow and would have contributed to the same outcome as the trade policy offensive of the USA: using ECE to undermine the coherence of the European Community.

As for EC/EU policy, it has been marked by a combination of aid and economic agreements which have left a trail of disappointment and bitterness across the region.

II. EU Hegemony

Whatever the role of the US in laying down the parameters of macro-economic policy within East Central Europe, the integration of the region into the West-centred European division of labour was bound to be the prerogative of the EC. The question Visegrad governments wanted answering was what the EC would do with this new fenced open space.

Figure 1. Forms of subordination

Form	Tendency
Parasitic dominance	periphery
Assembly base	periphery
Sub-contractor	semi-periphery
Second-class production	semi-periphery
World-class production	core

Amongst various possible options as shown in Figure 1, two would tend to push them into a downward spiral of peripheralisation and social dislocation. Two others would offer them the possibility of moving from semi-peripheral status towards the core. The final option is of these countries becoming centres of world class production. Many of these options can, of course, be complementary to each other, but predominance of the first two forms would tend to undermine the prospects of the others. We will look at each of these five options in turn.

1. World class production

Each of the Visegrad countries has had the potential for a significant role in world markets at least in some sectors. An authoritative early study by the Centre for Economic Policy Research in 1990 concluded that the Visegrad states should display comparative advantage in medium and high technology industries.¹ A subsequent study by Hamilton and Winters and work by Portes confirmed this view.² In both cases, the key factors are the highly skilled labour in the region, based upon strong educational bases and high levels of R&D, and the large number of scientists in these countries.

In the field of agriculture, Hamilton and Winters also argue that the ECE states have such substantial competitive advantages and opportunities to expand output that they could have a direct impact of world agricultural prices. Collins and Rodrik's study stresses in particular strong advantages in cereals, sunflowers, meat and livestock, milk, canned food products, beer and refined sugar.³ An important study by Carter and Zhang shows that, contrary to widely held beliefs, agricultural production efficiency in the CSFR, Hungary and Poland increased far more between 1978 and 1989 than it did in China during the same period.⁴ Another sector where Hamilton and Winters found a strong ECE competitive advantage was steel.⁵ Giovanni Graziani's study of existing ECE export strengths also stresses this for all the ECE states and adds iron industries, clothing, furniture, travel goods and (except for Czechoslovakia) fertilizers.⁶

1 See Centre for Economic Policy Research (CEPR): *Monitoring European Integration. The Impact of Eastern Europe* (CEPR 1990).

2 See C. Hamilton and L. A. Winters: "Opening up International Trade with Eastern Europe", *Economic Policy*, 14, 1992; and R. Portes: "The European Community's Response to Eastern Europe", in CEPR: *The Economic Consequences of the East* (CEPR, 1992)

3 See D. Rodrick and S. Collins: *Eastern Europe and the Soviet Union in the World Economy* (Institute of International Economics, 1991)

4 See C. A. Carter and Bin Zhang: "Agricultural Efficiency Gains in Centrally Planned Economies", *The Journal of Comparative Economics*, Vol. 18, No. 3, 1994.

5 See Hamilton and Winters, op.cit.

6 See G. Graziani: "Specialisation for Eastern Europe and Access to EC Markets", in J. Van Brabant (ed.): *The New Eastern Europe and the World Economy* (Westview, 1993)

Portes's assessment of the potential growth of the share of the East Central and East European region as a whole in world trade was that it should grow from its 7 per cent share at the end of the 1980s to 18 per cent, once these economies were integrated into the Western economic system.⁷ In short, if we may use the language of world systems theory, these states occupied a level of development in GNP per capita terms which placed them, like the Southern European members of the EC, on the frontier between the core and the semi-periphery. But in terms of their potential, on the basis of their human capital advantages (and their location on the fringe of the North West European economic heartland) they could move in the medium term into the Core.⁸

The policies of the EC/EU and its economic operators have not been beneficial for the development of this potential. EU members have treated potential strong sectors in the region as threats to their own economic interests. This has been most obvious in agriculture and steel, but it has also applied to chemicals, textiles, and apparel. The general pattern has been to block exports in these sectors.

Since the collapse of the Soviet bloc, Poland and Hungary have seen their long-standing positive trade balance with the EU in agricultural products reversed as their economies have been opened to heavily subsidised EU exports, while discrimination against their exports has intensified. The steel sector has been marked by predatory buy-outs like that of an Austrian company which bought a Hungarian steel plant in order to shut it down and capture its exports to Russia. And as Alice Amsden has pointed out, in the strong industries such as steel or Hungarian pharmaceuticals, the problem has been a fragmentation into too small units to compete effectively on world markets. Yet instead of tackling this problem, governments have been persuaded to exacerbate it by offering parts of the sectors for sale to Western concerns.⁹

7 Portes, *op. cit.*

8 On the concept of semi-peripheral country, see G. Arrighi (ed.): *Semi-Peripheral Development: The Politics of Southern Europe in the 20th Century* (Sage, Beverly Hills, 1985), especially his own chapter in the book.

9 A. Amsden et al: *The Market Meets its Match* (Harvard Univ. Press, 1994)

Thus, the experience of the last 5 years has been of EC dominance in trade politics being used to blunt the inherited competitive edge of the ECE economies. IMF programmes have destroyed the financial capacity of governments and enterprises to develop their own national industrial strategies and Western conditionality has placed a premium of privatisation before restructuring.

2. Second-rank technologies

East Asian experience is an increasingly popular reference point in the region: a subordinate place in the finished product hierarchies in the world market. While the lead technologies are developed and operationalised in the West, those that they are replacing can be utilised and form the basis of production in the East. Eastern firms would be producing under licence. The model here would be similar to that between Japan and the USA in the early post-war years and later that between Japan and, say, South Korea. The most obvious sectors here would be cars and consumer durables.

This would imply a trade orientation directed more away from the European Union itself, towards the East and non-European markets. Such a linkage could typically form the base for developing indigenous technological and industrial strength in some ECE sectors, especially if there was a strong industrial strategy being pursued, and for eventual world class performance in some sectors as their economies became a genuine part of the West European core.

However, the great problem with this orientation is that it depends upon the revival of the market in the rest of the Comecon region. Initially, Hungary attracted Western capital on the basis of being a potential base for markets further east, but the collapse and disorganisation of economic life in the former USSR has destroyed this perspective at least for the medium term.

3. Sub-contractor economies

A more restricted form of subordinate linkage between the West and ECE would involve Western enterprises using firms in ECE as sub-contractors within the production cycles of the West, making parts, including advanced parts, for German or other industries. This

could involve some higher technologies and could engage quite large pools of skilled labour and technicians. In so far as some of these operations could involve high value added and strong export performances by local firms, there could be the real possibility of a virtuous circle developing at the macro-economic level, cutting through the debt trap, producing a strong trade balance and healthy budgetary position. This in turn could feed through to investments in infrastructural investments. This variant might be called the Austrian model of linkage, after the post-war experience of the Austrian-West German relationship.¹⁰

On the other hand such a form of Western dominance would entail costs. In the first place, it would entail restructuring in Western Europe insofar as this sub-contracting was continuing in existing markets rather than new products. Secondly, since the sub-contractors in the region would be unlikely to be able to use the big economies of scale of their rivals in the West, it would involve competition on the price of labour, thus entrenching an interest in low wage economies being perpetuated in the East.

And the experience so far does not look promising. The Czech government had precisely hoped that its VW-owned Skoda car plant would be the motor for a large spread of Czech engineering companies able to work as sub-contractors. Yet Volkswagen has moved in the opposite direction, getting rid of Skoda's traditional Czech suppliers and bringing in instead Volkswagen's traditional suppliers in West Germany. The argument used is economies of scale and the effect is, from a Czech national economic standpoint, negative spin-off from Skoda's ownership by VW.¹¹

4. Assembly links for MNCs.

This is now a classical form of subordinate insertion in the international division of labour: through integration into the internal circuits of the multinational corporations. It involves relocating the lower-skill elements in the production cycles of EU firms east of the

10 Dr. Csaki, Deputy Director of the Hungarian Institute of World Economy, has strongly advocated this model.

11 See the recent study of VW-Skoda relations in *Business Central Europe*, March 1995.

German/Austrian frontier. The key purpose of this activity would be to benefit from the cheap labour and the various tax incentives offered by ECE states in order to improve the competitive edge of West European products in global markets.

International experience suggests that this is not a strategy for balanced social and economic growth. It produces very few positive spin-offs for the rest of the economy as well as the well-known negative externalities. The model here might be Mexico, with its string of American MNCs stretching along Mexico's northern border, a pattern already emerging along Hungary's border with Austria.

5. Parasitic linkage

This form of link is characteristic of the current relationship between Mexico and the USA. It involves an economy unable to maintain an adequate trade performance to handle its debt burdens, surviving on short-term flows of Western funds into a fully privatised economy and a one third-two thirds social structure.

The result is a parasitic syphoning off of resources which can fit very well with MNC enclave assembly operations. The success of both kinds of linkage can even be enhanced by the broken-down character of the rest of the target economy. All that it depends upon is a strong, repressive government

There are various signs of the hot-money linkages between the Visegrad economies and the West, though none of them yet approach Mexican proportions. In 1993-94 there was a spectacular raiding operation by foreign speculators on the Polish stock-market, generating a flow of some 250 million US dollars out of the country before the market crashed. While the Czech government has been trying to prepare for full convertibility this year, it has felt the threat of large inward flows of speculative capital, buying Czech crowns cheap in readiness for a large, speculative revaluation when convertibility arrives - a phenomenon that could seriously damage Czech trade. But it is in Hungary that the most serious risks of becoming dependent on short-term capital flows lie.

With the highest per-capita debt in Europe and a disastrous trade deficit during 1993 and 1994 and a budget deficit being continually stretched by having to pay ever larger proportions of its

revenues to servicing its external and domestic debts, the Hungarian government is increasingly vulnerable to short-term capital flows.

Some estimates of the amounts of hot money within Hungary put the figure as high as half the country's foreign exchange reserves, which now stand at some 7bn dollars. About two thirds of the turnover in share markets is carried out by foreigners engaging in speculation. All this speculative activity is derived from the ability of foreign operators to borrow internationally at low rates of interest and play the much higher Hungarian rates with these funds. Nor is this confined to foreign companies. Hungarian firms, though not legally allowed to export capital abroad, in fact circumvent this restriction by setting up shadow companies abroad, especially in Cyprus. And they are allowed to borrow abroad. Thus, a sudden or marked shift towards a more dirigist industrial strategy could lead to significant capital flight which would threaten the forint and the foreign exchange reserves and place a further debt squeeze on the government by worsening its terms for future borrowing to service its debt.

Hungary's growing dependence on volatile capital flows does not make it likely to face a Mexican-style crisis during 1995. But the government's capacity to construct a viable trade and industrial policy for overcoming its dependency on casino capital is already hampered by the need to maintain confidence precisely amongst fund managers oriented towards speculation.

Economic linkages and EU interests

The general picture that emerges is that, as far as the EU as a collective entity is concerned, it has not demonstrated any positive strategic policy for the Visegrad region whatever. Those Visegrad sectors which had dynamic potential have been heavily damaged, most notably agriculture and steel. At the same time, the so-called grant-aid programmes of the EU, geared above all to providing information and incentives for Western capital to invest in the region, have been largely passive vehicles for their EU clients. And these clients have directed their direct investment in the region less towards strengthening its insertion into Western markets than in capturing quasi-monopolistic stakes in the internal markets of East Central Europe, concentrating on food-processing, drinks, other consumer

goods and, where possible, public utilities. Meanwhile, the member states of the EU sought to profit from the collapse in the East by vigorously promoting their exports into the region, an operation enhanced by the drive by the international financial institutions to impose rapid, across the board trade liberalisation upon these economies.

The sources of this strategic neglect lie in the very constitution of the EC/EU, as well as in its policy-making structure and pattern of state interests. One of the main motives for the foundation of the Community was to anchor Germany within the Western alliance through freeing it from a traditional division of labour that stretched into Eastern Europe. As the EC developed a new, Western centred division of labour emerged that was sealed off from the East. Consequently, in every industrial sector as well as in agriculture, the East Central European states confronted, after 1989, entrenched competitors in Western Europe. The dismantling of the Soviet Bloc only gave these competitors the political and economic opportunities to undermine potential rivals in the Visegrad countries.

Visegrad Performance

It is still too early to made definite predictions about the direction of the Visegrad economies. But there is a marked differentiation occurring between the results so far in the Czech Republic and those in both Poland and Hungary as well as Slovakia.

The Czech government benefited from its Communist predecessor's avoidance of heavy indebtedness to the West and it was fortunate in not being heavily dependent upon agricultural exports. From an economic point of view, Klaus's effective driving out of Slovakia was a master-stroke. At the same time, the government wisely avoided radical experiments with forced decollectivisation of industry: although the Czech government claims to have almost completely privatised, unlike Poland and Hungary, it has in reality simply recycled economic control back into the hands of the nationalised Czech banks. Meanwhile, unlike Poland and Hungary, the Czech government has firmly based itself upon the interests of the manufacturing sector, holding back from major restructuring until macro-economic conditions improved, preserving the old networks of enterprise managers,

and giving a framework of relative security in which confidence in the future could be maintained. Against this background, Czech industry has been able to re-orient its sales effort Westwards and its export performance was strong in both 1993 and 1994.

Poland has benefited from some debt forgiveness and, after a disastrous slump in the early 1990s, industrial production has revived, though it remains at very low levels in comparison with 1989. But Polish exports slumped in 1993 and performed poorly in 1994. Meanwhile, there are dramatic regional disparities, with large parts of the former East Prussia showing very high, long term unemployment (over 20 per cent) and suffering from social disintegration.

Hungary had appeared to be most prepared for the re-orientation of its economy Westwards and attracted the bulk of early foreign capital investment. But the great debt burden, along with the effects of a disastrous bankruptcy law (responsible for ruining perhaps 15 per cent of Hungarian industry) along with a precipitate collapse of agricultural output (thanks to an absurd, ideologically driven attempt to destroy Hungary's very successful co-operative farms) have all weakened the structure of the economy. The trade deficit has mounted alarmingly in 1993 and 1994 and government policy is almost entirely trapped in financial crisis management.

III. Salvation in the EU?

In place of a genuine economic strategy for integration, policy-makers in Western Europe have shifted discourse to institutional abstractions about preparing the legal frameworks of the region for eventual membership of the EU. This phrase refers to a series of legal and institutional changes to be achieved in the countries concerned as a precondition for their EU membership.

Yet the preconditions for eventual EU membership have very little to do with formal legal congruence. The fundamental issues here as far as the EU is concerned are what we may call the three membership questions: (1) Does the applicant have largely complementary economic forces? - the economic question. (2) Do the applicant's economic conditions have positive or at least largely neutral implications for EU public finance? - the financial question. (3) Does

the applicant expose the EU or its main interests to political risk? - the political question. There is, in addition to these general questions, one specific sectoral, but vital question for most of the ECE states: (4) Is there a possible economic, financial and political fit between the EU and the ECE states in the field of agriculture? - the agricultural question.

Almost any conceivable set of changes carried out in the ECE region would still produce a resounding "No!" to all these questions. We will look at each of the possible forms of linkage between the ECE and the EU from the point of view of these questions.

The *parasitic model* does not produce direct economic antagonism in the event of EU membership for the ECE states. It would simply mean that the full blast of competition from EU firms in product markets would further break the back of the given economy. But the consequences on the financial and political fronts would rule out membership: the EC's structural funds would be heavily engaged. In particular, the so-called Objective 1 Regional Funds would be channelled from the Mediterranean to the Visegrad countries, all of which, on current form, would classify as being amongst the 20 per cent of the community regions most poverty-stricken. This would block membership, unless the big rich members, and most crucially Germany, were to pay. This latter idea seems fanciful in the present period when, regardless of the domestic pressures on budgets in the West, the core countries in the EU are desperately trying to bring down their public sector debt and budget deficits to Monetary Union criteria. Even if they achieve such targets by 1997, we can expect a new recession in Western Europe soon afterwards - the US economy will be back in recession by the end of 1996, if not before - placing new strains upon budgets.

As for the political consequences, these ECE economies with unemployment rates of Andalusian proportions and shattered social fabrics will produce armies of unemployed as well as mafia gangs tramping Westwards. However beneficial such new reserves of dirty-cheap labour would be for the engines of production in the West, the political costs the Free Movement of Labour will be unacceptable to Western governments.

The *dual economy*, involving enclaves of MNC assembly work

has similar consequences to the parasitic model as far as EU membership is concerned. More difficult to assess is the *sub-contractor* model. It offers complementarity with big industry in the West, but would bring conflict with small and medium sized companies within the EU insofar as it replaced them in West European production circuits. In any case, it would not produce a virtuous circle of economic growth sufficiently powerful to avoid substantial financial claims on the EU's structural funds for the foreseeable future.

The most positive model from the point of view of preparation for membership would be that of second level production of finished goods in the manufacturing sector, the "*second-rank technologies*" model. But such a model is not presently on the horizon since the West has no will to rebuild markets further East. Thus the prospect that it would provide the economic base for easing financial claims on the EU or for preventing substantial labour migration seems doubtful.

As for the agricultural question, if the EU remains in its present form then there is a radical antagonism between the currently articulated economic, financial and political interests of the EU and those in ECE on agricultural matters. Despite myths to the contrary, during the 1980s, agriculture in ECE was very labour efficient in international terms. Its lower productivity indicators were largely the result of high non-labour input costs. All analysts agreed that Polish and Hungarian agriculture in particular could pose a major competitive challenge to West European agriculture in cereals, livestock and dairy products. At the same time, these items are precisely the big claimants within the CAP and therefore once Poland and Hungary had entered the EU, their agricultures would substantially increase demands upon the CAP budget. The various calculations of the impact of ECE agriculture on the CAP budget after entry place the increase in CAP spending at between 25 per cent and 35 per cent.

There remains the possibility of the countries concerned adopting a more conflictual path of *preparation through growth* for eventual membership. To be more precise, this would mean adopting industrial strategies which would entail challenging some West European industrial interests for a place in the market. Such a challenge would imply a more dirigist national industrial strategy.

Obvious elements of such a strategy would include:

1. Stronger measures of import protection
2. A readiness to concentrate capital in potentially world class industries.
3. Preserving key sectors from being gobbled up by MNCs to be integrated into their priorities.
4. Export support and promotion.
5. Efforts to restructure enterprises in the state sector, rather than simply privatising then for restructuring (or destructuring) in the private sector.
6. Maintaining a largely state owned banking system
7. Maintaining capital controls.

All these ideas have been canvassed in policy-making circles in the region since 1989. But they have been blocked by Western resistance, backed by conditionality. The only forms of industrial policy tolerated by the West are general instruments such as devaluation of the currency, re-capitalisation of the banking system or generalised tariff increases within the GATT rules.

To embark upon such a course, therefore, would involve the risk of conflict with the GATT, the IMF and the EU as well as with Western private capital. Import protection would bring these countries into conflict with the GATT in all sectors where tariff levels have been registered with the GATT. The IMF has made rapid privatisation a key plank in its raft of conditionality instruments. The potentially strongest sectors of industry were precisely the ones to be snapped up early on by MNCs. Export promotion can run into militant protectionist pressures from the EU and, as far as the IMF and World Bank are concerned, restructuring has been collapsed into privatisation.

Of course, it is possible to confront these external pressures. But to do so entails risking a rapid, hostile reaction in the international business media. It also risks being classed as a backslider in comparison with one's neighbours in the desperate competitive struggle to gain brownie points on the road to fast entry into the EU. And increasingly governments in the region find that negative Western reaction can cause significant reaction within their own financial systems. Thus in the whole area of industrial and growth strategy, we find a coincidence of interests and line between US approaches and

those of the West European states. The more the governments of the region feel themselves trapped by their current circumstances, the more attractive the dream of EU membership must become. But the very sources of this attraction are what repulses the dominant forces within the EU itself:

1. Access to the structural funds runs directly counter to the interests of the Mediterranean countries for whose governments one of the main attractions of EU membership now is precisely these funds.
2. The ability to compete in agricultural markets and to gain valuable CAP funds likewise is a major reason for their exclusion from the EU.
3. The ability to export labour Westwards and to gain the resulting remittances is an even stronger disincentive to EU member states to approve accession.

There is, however, one card which the ECE states could have played, though they are in the process of giving it up.

A Political Cost of Non-Entry?

The one fear that might galvanise the main EU states into granting the ECE countries swift membership of the EU would be the fear that a failure to do so might open the door for Russian influence to flood back into major parts of the region, thus threatening that the great gain of the collapse of the Soviet Bloc - the new geo-economic and geo-political resource for a revived Western Europe might be lost.

The August coup of 1991 demonstrated how powerful this spectre could be to EU policy-makers. Yet at the present time, this one source of ECE leverage is rapidly slipping away through the drive to extend NATO eastwards. This plan, initially launched by Volker R  he the German Defence Minister, has now been taken up more vigorously by Washington. Insofar as it goes ahead, it will have the effect of excluding Russia for a direct say in the high politics of the rest of Europe and will tend to re-polarise the continent in the medium-term. But above all, it will secure ECE for the West and simultaneously block any possibility of these states being able to use their old hegemon as an instrument of leverage upon their new one.

The EU pledged, at its 1993 Copenhagen summit, that it envisaged the eventual membership of the Associated ECE countries within the EU. This is true, but it counts for little. There is no

time-table for starting negotiations. Such pledges have been given before, to Turkey. And most important of all, the country with the biggest stake in their being some kind of stability in the region, Germany, occupied its 6-month's presidency of the EU Council in the second half of 1994. This was the opportunity for major initiatives and above all for one decisive step: the launching of a campaign for radical CAP reform to make accession possible. Research papers were prepared, within the commission and in various capitals, for just such a CAP initiative. Yet Chancellor Kohl made no move whatever in that direction. This is a striking fact that speaks far louder than any number of declarations.

This should not be taken to suggest that the EU's declarations are without significance. But that significance lies above all in the fact that the declarations are grasped and clung to by the ECE state themselves. And because they cling to them, they wish to take no single step that could upset the EU and jeopardise their chances. In short, the importance of the EU's solemn written promise - that it will continue in the future to hope that the ECE countries will eventually be ready to join the Union - is that the EU has control over the entire policy agenda of the ECE countries. This control would immediately be lost, if the EU were to definitively rule out membership. But we should not forget one other way in which EU dominance over these states would be lost: namely, by bringing them into membership! The Greek and British governments' behaviour following membership shows that all too clearly.

The current arrangement, in short, would be the perfect way of maintaining the maximum possible dominance over policy-making in the region, at zero cost to the EU. And how much more powerful this mechanism could be if, after a while, a small Slav state like the Czech Republic could be allowed to join, just to show that there was no anti-Slav prejudice involved.

There are those who nevertheless hope that the interests of the German state will predominate within the EU and will lead towards the region's membership. Yet the Bundestag CDU-CSU Fraction programme for the future of the EU does not point in such a direction. It points rather to a segmentation of the EU itself in such a way as to integrate the Visegrad states only into an outer circle of institutions

while excluding them from the European Community institutions of the Union. Poland and Hungary could therefore be brought into the Common Foreign and Security Policy and Police and Internal Affairs and on this basis be acclaimed as "entering" two out of three pillars of the union. This would effectively anchor their subordinate political position. But at the same time they could be kept out of the Union's middle circle of EC members outside EMU. And meanwhile the inner core of Germany, France, Benelux, Austria and one or two others could strengthen their leading role on the basis of Monetary Union.

The search for an alternative

An alternative way forward for integration of the two halves of Europe would involve a concerted effort to rebuild effective market demand across the old Comecon region, rebuilding also production linkages. It would also require solutions to the payments problems of a whole series of countries in the region. Economic co-operation between the East European states themselves and co-operation with Russia would also be needed.

Reforms within the EU, not least in the CAP, would also be required. These could include alternative means of support for Western Europe's poor small farmers - income support rather than protection and price support - to enable East Central and East European farmers to supply Western Europe's food. At a time when a hue and cry has been raised in Western Europe over the high social costs of labour, it is remarkable how few voices have pointed out that an end to CAP price supports could reduce family food budgets by over 30 per cent. Another reform would have to tackle the dangerous pincer effect of combining Monetary Union with wage rates in the most advanced parts of East Central Europe which are about one tenth German rates. The combination of these two elements would have the effect of a competitive drive by Western Europe's weaker capitalist states to reduce employee incomes to ever lower levels as their sole means of national competition once monetary policy was centralised.

Alongside such changes there would have to be co-operation between the socialist parties in the former Comecon bloc in constructing a common programme. And those parties on the Left within the EU seeking an alternative form of integration to the

Maastricht stress on monetary centralisation would have to explore common policy interests with partners in the East.

Another necessary step would be the reversal of current trends towards a return to a bi-polar division of the continent between a Russian-led CIS and a NATO stretching to the river Bug. Economic integration of the continent requires a genuinely collective security framework embracing rather than excluding Russia. These political preconditions are far from being present today. Further experience will be needed before any serious search for alternatives is undertaken. But it is looking increasingly unlikely that the initial strategic decisions of 1989, to respond to the collapse of the Soviet Bloc by trying to squeeze the continent into the frameworks of NATO and the EU, will be viable. Both organisations are being increasingly paralysed internally and are seeking to subordinate the East Central European states to their hegemony without being able to offer the recipients of their power any viable place or role. Vigorous regional hegemons have brought disaster upon Europe in the past. A leaderless regional hegemon may be bringing another disaster today. ■

LINKS

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Reviews

Barbara Einhorn, *Cinderella Goes to Market. Citizenship, Gender and Women's Movements in East Central Europe* (Verso: London 1993, 280 pp.)

Some of the symptoms of the "women's problem" in Eastern Central Europe (ECE) since the collapse of Communism are well known: the dismantling of women's rights that existed under state socialism; the increasing vulnerability of Eastern European women to unemployment and poverty; the exclusion of women from the public sphere; the "back to the kitchen" slogans of conservative parties and politicians; the general rejection of feminist solutions and aspirations by women in these societies and by these societies in general.

These paradoxes tend to provoke more astonishment and perplexity among Western feminist researchers than competent analysis. With her book, *Cinderella Goes to Market*, Barbara Einhorn attempts to look seriously at these symptoms and to try to understand them. Her study of the women's question in Eastern Central Europe is placed in the larger framework of a general examination of the gender issue in the transition from a "state socialist" economy and society to a market economy. The questions posed by Barbara Einhorn, therefore, tend to revolve around the confrontation of "before" and "after", around the search for possible trends of development, and this structures her whole approach, whether she is dealing with the problems of the old state-socialist emancipatory paradigm, the role of nationalism and market in the changing image and situation of women, the objective and subjective significance of work and family, the role of women in politics, or the concrete issue of abortion rights.

Worker-Mother-Wife

Cinderella Goes to Market, in spite of all the acknowledged difficulties and contradictions in the area under study, presents a core argument which could be summarised as follows: State socialism gave women extensive social and (less) extensive economic rights. But it did this at the price of a drastic division between male and female roles.

Women, lacking independence, suffered from a three-fold oppression as workers, mothers, and housewives. But, under state socialism, the alternatives to the nuclear family, with its two incomes and a patriarchal allocation of work and roles in the private sphere, were even worse. The social and economic rights of women were regulated from the top of the patriarchal-state hierarchy and at the cost of political participation. The rights and representation of women in the public political sphere were purely formal. The turn to the capitalist market appeared, at first glance, to increase women's civil and political rights, but at the cost of their social and economic rights. Crisis-driven nationalist ideologies of integration, as well as a revived liberalism, have the effect of reducing women's role to that of mother and wife. The newly emerging public sphere, the sphere of civil society, is dominated entirely by men. The development of feminist counter-strategies is retarded by the state socialist heritage - the lack of experience in the defence of women's interests in the framework of an autonomous civil society. An additional impeding factor is the inherited idealisation (by both men and women) of the private as refuge from the "system". The result is an inadequate questioning of the domestic division of labour and a reinforcement of women's familial identity. This is the basic argument.

In spite of all the obstacles thrown up by these social relations and traditions, the author believes that "the formal and informal involvement of women on their behalf" is "central" for a process of social change that will promote women and their "right to work" in the societies of Eastern Central Europe (p. 142). The goal is summed up by the quotation from Petra Kelly that stands at the beginning of the book: "I wish for a children- and women-friendly civil society, in which people have the deepest respect for one another and are mutually supportive" (p. 1). A basic precondition for such a society, according to the author, is "a mutual redefinition of the concept of citizenship ... as a non-exclusionary category informed by the need for social justice as well as gender equity" (p. 260).

East-West

The problem with the basic theses of this historical-empirical as well as theoretical argument is that they are not developed, anywhere in

the book, in a detailed and systematic manner. They are not arrived at on the basis of a thorough scientific analysis of either of the main areas of concern - family, work, or the political sphere, in the societies of ECE, then and now.

Her examination of the Eastern European paradoxes always begins with the contradictions, identities, questions, and conflicts as these are articulated by ECE women themselves, generally feminists and academics whose books and conference papers are available in English or German or whom the author has been able to interview. The strength of her analysis lies in its consistent respect for "other" identities, its persistent attempt to comprehend "alien" female realities. The book explicitly distances itself from other approaches which implicitly assume that the experience of "Western feminists" in "struggling for greater gender equality can be projected onto the very different life experiences and environment of East Central European women" (p. 211). Einhorn's approach is particularly valuable when she looks at the literary creations of East European women. These excursions allow us, and especially readers in the West, very plastic "in-sights" into the daily lives, gender relationships, and identities of women in this part of Europe. The chapter "Imagining Women: Literature and the Media" is one of the strongest in the book.

With her approach, Einhorn succeeds in not measuring "the" East European woman against the model of the Western "ideal" of the independent career woman capable of defending her own interests - a procedure which, in so many studies and commentaries, simply ends up confirming the "backwardness" of the East Europeans.

The blind spots

In spite of its rejection of the "colonialist gaze", the book is not just an ethnographic stocktaking of the gender question in Eastern Europe. It is, one must say, another in a long series of works on East European societies and on the issue of gender that hypostasise the spheres of politics and ideologies. What is largely overlooked is the link between these spheres, on the one hand, and, on the other hand, the historical-structural framework and concrete possibilities for action. In the case of *Cinderella Goes to Market*, the author seems to have made a conscious decision not to make a general judgement on the causes

and the general character of the transition from state socialism to the market in Eastern Europe. The perspective of "social justice and gender equity on the basis of a non-exclusionary citizenship" does provide the basis for an implicit critique of the neo-liberal ideology of salvation through the market, social and economic de-regulation, and the new nationalisms. The author recognises the role of "market forces" in bringing about unemployment and the demolition of social institutions (e.g. p. 127).

But what remains unclear is the relationship between the utopia of "social justice and gender equity" and the real world of collapsing socialism and re-emerging capitalism. The question of the actual scope for action in restructuring gender relations in Eastern Europe before, now, and in the foreseeable future, is analytically put aside. The book doesn't go beyond expressing the hope that forces for change will appear on the political stage. When women recognise the significance of the absence or loss of citizenship rights they will, so is the hope, take action (p. 176).

What is needed, and what the author doesn't undertake in this study, is a systematic examination of the socio-economic conditions and developmental trends which predetermine the possibilities for the political structuring of gender relations - whether by male-dominated parliaments or by a women's movement. Very concrete questions need to be asked here. To what extent, for instance, are social guarantees for the workers and their dependants possible or desirable? What is the concrete pace of the deregulation of the labour market, the demolition of the welfare state, the expansion of new and less secure working conditions? How, and to what extent, are men and women affected differently by this? It is only on the basis of an empirical analysis of these matters that one can assess the scope and the consequences of the decline of citizenship rights and make some assessment also of the possible alternatives for women. Only on such a basis is it meaningful to deal then with the political and cultural "legacy of state socialism" and the now dominant political ideology of governments, parliaments, parties, ministries, and civil servants. The question as to the nature of the transition in Eastern Europe, generally posed in purely ideological terms, would become, in such a systematic analysis, an empirical-historical question. It is this way of posing the

question which is essential in any scientific study of the issue of gender relations in this part of Europe.

One of the problems with the present work's approach is that it tends to move in an unmediated manner from the ideological to the real. An example is her discussion of protective rights for women in work. The ending of the rule against women's night-time work in many EU states has been seen as positive by some, negative by others. In reality, what is at stake here is an increase in the oppression of women by market forces. Barbara Einhorn discusses the "contradictory effects" of protective legislation, noting that it has "bumped up" unemployment of women in the ex-GDR. She reproduces, without comment, an argument from a *Helsinki Watch Report* on Poland which says that "gender-specific laws have no place in a modern society ... Even when meant as a protection, in effect they provide an opportunity for discrimination" (p. 26). A more analytic approach to this issue would have to go beyond the ideological justifications for the discrimination against women. This could then lead to a serious discussion about how, under such precise circumstances as exist in these societies today, social rights as well as gender equity could be fought for and achieved. This is a question which goes beyond the issue of gender relations itself, but it is a question which has to be seriously addressed. The radical perspective of Einhorn's book, without being anchored in a systematic attempt to deal with this question, remains an abstract utopia.

On the question of unemployment the author brings together quite a large amount of empirical data and quite a few suggestions about the gender-specific effect of unemployment on women (129-34). She doesn't follow this up, however, with a serious attempt to look at the empirical or theoretical work done on the labour markets in East Central Europe. Her main interest in this issue is the political potential for a defence of the "right to work" and so she concentrates mainly on the subjective relation of "the" East European woman to wage labour. She sees the roots of the ambivalent attitude to labour as a product of state socialism, in which wage labour was seen "as yet another obligation", to be avoided where possible (117). On the other hand, there are "many voices which suggest that women's self-esteem... was integrally bound up with their working lives"

(140-142).

In the sections dealing with social policy and poverty, the author sees the relation between social policy and gender in the "emerging market economies" as a "return from public to private patriarchy", in the form of a combination of German/Austrian-style conservative corporatism and Anglo-American liberalism (43). But just as in her use of "citizenship" and "civil society", the use of fashionable concepts doesn't constitute an analysis.

The role of ideology

For all its weaknesses, *Cinderella Goes to Market* does indeed demonstrate, on the basis of a large amount of empirical data, that women in East Central Europe are confronted with significant discrimination and large-scale exclusion. Einhorn sees the motor for this primarily in the ideology that has dominated Eastern Europe since the fall of Communism - a newly emergent nationalism combining with 19th century liberalism. The neo-liberal market ideology, hostile to the egalitarianism of the state socialist era, incorporates the classical liberal concept of individualism "based on survival in the market place". This allegedly gender-neutral market, in an allegedly gender-neutral civil society, is then counterposed to an allegedly natural family sphere. Both lead to the implicit or explicit assumption of a "natural" gender-based division of labour and to the rather blatant male domination of the political sphere (41, 150ff.). This separation of public and private is also rooted in an idealisation of the private as a refuge from the "system", an idealisation that goes back to the state socialist period. The new nationalisms also lead to similar concepts of "gender-segregated spheres" and the author sees these new nationalisms as perhaps more decisive than liberalism. After the collapse of state socialism, these "intolerant and exclusionary forms of nationalism" are the most important "legitimizing factor" in the destruction of the state socialist inheritance. (The book was published before the return of many ex-Communist parties to power in Eastern Europe.) In the nationalist ideology, the family, with the woman in the centre as mother and wife, is a natural unit, the basic cell of the national community in which "the public sphere of men's work and political life, and the private - women's - sphere of family and

domesticity" are sharply separated.

Einhorn's central thesis concerning the pressure on women for a "return to the hearth" is that this is related to the dominance of these new ideologies. The "ideological celebration of hearth and home", the conservative attitudes to the family and women's work, reinforce the "market pressures" that are driving women out of the labour force and weakening their will to resist (257).

Apart from the already mentioned difficulty of moving from the ideological to the real, there is a problem here in determining empirically the real effects of the transformation in Eastern Europe on women's work. Most of the statistics in Einhorn's book do not (except in the case of Hungary) come from the period after 1989. The only data from the post-89 period concern the disproportionate number of women among the unemployed (129). We know that in the EU countries, the unemployment figures hide an increase in the number of low-paid and part-time jobs being taken by women. In the case of economies like those of Eastern Europe, caught up in the process of peripheralisation, we would need to have more accurate information on the informal economy, on the number of self-employed women in agriculture, and so on. The thesis that "women ... are the first to be dismissed" (113) needs more empirical support. We need to recall the widespread employment of "German mothers" under fascism (in spite of the ideology) and the army of women workers in the factories, workshops, and homes during the 19th century high period of the celebration of the bourgeois family and private sphere. We can not proceed directly from the gender-specific content of national and liberal ideologies to social reality.

Cinderella Goes to Market presents and analyses a large mass of information and material available in Western studies on the social, political, and economic situation of women during state socialism and during the first years of systemic transition in the countries of East Central Europe. The sheer scale of the material dealt with is largely responsible for the fact that the book, to some extent, remains at the level of informed journalism. The attempt to integrate the empirical data into the theoretical debates of women's studies and the broader social sciences therefore remains only half-hearted. Where the author is strong, and this was probably why she decided to write the book

in the first place, is in her ability to empathise with the women of Eastern Europe, to explain to those outside eastern Europe why women here "are, the way they are", the way they are threatened by the new nationalist and liberal ideologies, and how one could begin to conceptualise a women's movement in this part of Europe.

The book could indeed be the beginning of the two-way dialogue between women in both parts of Europe that the author calls for. Whether the way forward is "the organisation of a revived civil society", in a democratically controlled state that we could regard as "our own", remains questionable. Barbara Einhorn never really poses the key question - whether it is at all possible for women to achieve their rights to political and socio-economic equality with the framework of the bourgeois "modernisation project". Perhaps the "lack of individualism" and the "low level of autonomy" of East European women has its roots, not just in patriarchy and tradition, but in the fact that these are not wealthy and prosperous societies? Perhaps some of the basic assumptions of Western feminism need to be reconsidered? The discussion around these question between East and West and South will be an interesting one. ■

Susan Zimmerman

Anastasia Posadskaya (ed) *Women in Russia, A New Era in Russian Feminism*, translated by Kate Clarke, Verso: London 1994, £12.99.

One of the first independent women's organisations to be set up in Russia after the break up of the Soviet Union called itself "Don't Wait" (Ne Zhd). Anna Posadskaya explains in her introduction that, in 1991, "all democratic political movements, parties, and groups had in the main a very poor and naive understanding of women's issues". Most had no women's programme, and their personal views amounted to the same old theory about the need to "return women to the home

and give them a rest from socialism". Thus it was imperative for women themselves to identify, organise around, and struggle for their specific needs. This is what she and a number of other women are attempting to do in present-day Russia, and this book is a chapter in the story. In it, the economics, politics, and ideologies of the past and present are looked at in detail from a gender perspective. The lot of Soviet women in the past is compared with their situation today. We also get a glimpse of what may emerge from women's activities in independent groups such as the Women's Forum in Dubna, in human rights and peace organisations, in groupings within trade unions and political parties, and through direct actions, for instance, the blocking of traffic in Moscow's city centre by lesbians.

Chapters on the economy discuss various interpretations of the "double burden", i.e. why Soviet and Russian women have always done at least two jobs, one inside and one outside the home. They examine the dictates of economic policy at different times, for instance, the Soviet Union's need for rapid industrialisation and for a large, cheap, female labour force; then the need, under Perestroika, to slim down enterprises and increase profitability, with women the first to be laid off. These different economic requirements were always justified ideologically. In the first instance, labour was a means of emancipation and self-fulfilment, in the second, it enabled women to fulfil "their purely womanly mission" (Gorbachev).

In her account of directions under Yeltsin, Elena Mezentseva outlines three possible stages in the restoration of capitalism and how these will affect women. The first is the present stage, the initial accumulation of capital, involving mainly speculation. The unemployment caused by the large number of bankruptcies in the wake of privatisation and restructuring have hit women especially hard (70 to 80 per cent of the people registering at the new labour exchanges are women). The second stage, it is assumed, will bring growth in manufacturing, especially light industry, and in the service sector. This will provide women with low-paid, unskilled, and insecure work. Some women will be able to escape this through reskilling and retraining. But in the area of business they will face a lot of discrimination and overt sexism, of the type found in the following stock exchange ad: "Company manager, man, 35 max, with higher education; secretary,

girl, 25 max, with English language and computer skills, uniform - miniskirt."

Finally, it is assumed that capitalism will emerge but what kind of capitalism? Sweden and Japan are looked at as models, but, and this is a weakness of the book, not Brazil or Turkey, not even Spain or Portugal. Russia's integration into the world economy is taking place at a time when world capitalism itself is in difficulty, so the necessary foreign investment may not materialise. Likewise, the harsh austerity imposed by the IMF and the World Bank may well provoke a social resistance that will be difficult to contain. Women will be centrally involved in this, as the super-exploited sector of the workforce, the source of cheap, pliant, and "flexible" labour.

At the political level, women are also disadvantaged. All the "democratic" parties have failed to address the specific needs and interests of women. Only a tiny number of women are involved in the decision making bodies of the political parties. It would seem that over half the population are to be excluded from the task of defining and building the new society. If so, perhaps "democracy without women is not democracy", - a slogan of the second Independent Women's Forum.

This second Forum, devoted to the theme "From Problems to Strategies", is described by Posadskaya as a loose gathering of women interested in bringing about change. It is independent, does not attempt to speak for all women, is not assuming the role of an all-Russian women's organisation, but is rather "an open tribune for any women's organisation or for any woman seeking her own answer to the 'the woman question'".

This latter feature of the Forum is important because, as social inequalities grow in Russia as a result of capitalist restoration, divisions among women will also increase. There may be real class differences or perceived differences involving such questions as race, religion, or sexual preference. These are issues which blew apart the middle-class based women's liberation movement in Britain in the 1970s, and they are present also in Russia today. As women begin to take sides on these issues they will be faced, as Posadskaya writes, with choices of political allies. She notes, for instance, that it has been the Communists and the left-wing parties and movements (for

instance, the Party of Labour) that were the first to understand the need to "take a more flexible stand on women's issues".

A number of chapters take up the issues of sexism in the media, images of women in popular culture, and so on. You can always trust this area to come up with some gems, and one I particularly liked was an advert in the weekly *Nedelya*, advertising a new game parents could play with their children to train their powers of observation. The piece was called "Daddy and his son are clever". On the other side of the page were cooking recipes under the heading, "For you, ladies". ■

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