

## **Workers and Their Unions in Eastern Europe — May 1991**

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Volume 29, 1992

URI : <https://id.erudit.org/iderudit/llt29cri01>

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### Éditeur(s)

Canadian Committee on Labour History

### ISSN

0700-3862 (imprimé)

1911-4842 (numérique)

[Découvrir la revue](#)

### Citer cet article

MacShane, D. (1992). Workers and Their Unions in Eastern Europe — May 1991. *Labour/Le Travailleur*, 29, 211–220.

# CRITIQUE

## Workers and Their Unions in Eastern Europe — May 1991

Denis MacShane

WHAT WAS THE STATE of the labour movement in Eastern Europe on May Day 1991? There were no May Day parades in the former communist bloc. The red flags have been furled. The working class is in virtually total disarray in terms of a political project or coherent organization. The trade union movement — though really one can no longer speak of it in the singular — is fragmented and dispersed. To be a worker or a trade unionist of any hue in Eastern Europe today is difficult indeed. The old system is rapidly dying if not dead, but it is far from clear what new system is currently being born.

The role of workers in this process of change has been absolutely central. The main death blow to centralist control over workers as inherited from Stalinism (though the denial of independent worker-controlled trade unionism was enthusiastically supported by Lenin and Trotsky) was dealt by Polish workers when they formed Solidarity after the epic strikes of 1980. This removed from the Polish communist leaders — and by extension other communist leaders — the basis for their rule: that is, their claim to govern in the name of the working class and with at least its passive, if not democratic consent.

Communism helped dig its own grave with its emphasis on industrialization. In the Soviet Union, as Moshe Lewin pointed out, it was not until well into the Brezhnev years that the majority of the population became an urbanized working class. Stalin and the communist leaders who took power after 1945 in East Europe had to rule over countries which were still largely rural and agrarian in their social

Denis MacShane, "Workers and Their Unions in Eastern Europe — May 1991," *Labour/Le Travail*, 29 (Spring 1992), 211-20.

and economic relations. Communism brought electrification, education, industrial productionism, and anonymous urban dwelling. By the 1990s, populations in Eastern Europe were quite different in their levels of knowledge and their ability to organize from those over which Stalin and other earlier leaders had ruled.

The working masses thus played a decisive role in the revolution that took place. The Polish example of Solidarity is well known. Despite the Jaruzelski repression, Polish workers in 1988 organized giant strikes that forced the authorities back to the negotiating table. Similarly, the Czechoslovakian general strike in November 1989 added an economic push to the political demands of Charter 77. The launching of independent trade unions both in Hungary in 1988 and in Bulgaria in 1989, were also clear signals that the days of communist rule were over.

Media and many academic accounts of what took place have written out the role of workers in this upheaval. According to these versions, the changes in Eastern Europe are due to the great men of history such as Ronald Reagan with his arms build-up, or Mikhail Gorbachev with his new policies of *perestroika* and *glasnost*. In England, Margaret Thatcher believed that she was responsible; in Canada, perhaps Brian Mulroney believes that the changes came about because of Gorbachev's famous visit a few years ago when the Soviet leader saw the wonders of Canadian Toryism for himself. All of these factors played a part but the main reason for change was the social force exerted by workers and citizens in Eastern Europe who no longer were prepared to live without democracy, and stopped work and took to the streets to overthrow their rulers. If workers were central to that process, they remain central today.

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THE QUESTION OF HOW to change the economic mechanism of all these countries is the biggest political-economic question on the world agenda. There have been a thousand or more books written on the passage from capitalism to communism, but nobody had ever written a book on how to pass from communism to capitalism.

Right-wing neo-liberals will say that all that is needed is to apply the free market. This is about as helpful as telling us we need water to live. You can have the purest water that Perrier can bottle or you can have the sewage-filled water that is currently killing Peru with that 19th-century plague, cholera. Both Sweden and Chile are free-market countries. Canada and Indonesia, too, are market-economy nations, but this reveals nothing about their societies, their environments, or the rights or living standards of their peoples.

Already workers are paying a terrible price in Eastern Europe. Up to 50 per cent of the former east German population was expected to be unemployed by the end of 1991. In Hungary, three million out of a population of 10 million are officially said to be living below the poverty line. For the first three months of 1991, most workers in Serbia in Yugoslavia were simply not paid as the government in Belgrade had no money to pay them.

There are no more queues outside shops in Poland. Instead there are queues, even longer than before, outside unemployment and social welfare bureaux. The television cameras and Conrad Black press photographers who, in order to demonstrate the failure of communism, brought us the pictures of Poles queuing to buy goods do not show the queues of misery represented by the problems of an International Monetary Fund directed march to capitalism. The purchasing power of Poles was cut by 28 per cent in the 12 months ending in April 1991, and unemployment has increased in the same period from zero to more than one million.

Critics of what is happening often refer to it as a return to 19th-century capitalism. It may be more helpful to consider what is taking place as a very late-20th century phenomenon, fully consistent with the 21st-century plans of international capitalism. What the free-market ideologues, the western banks, the IMF, and political leaders such as Bush, Mulroney, and Thatcher want to create in Eastern Europe is quite simply a Latin American capitalism, of great social divides, some "haves," a few "have-lots," and many "have-nothings." The maquiladorization of Eastern Europe is taking place before our very eyes. Just as Bush and Mulroney want to integrate Mexico — with its low-wages, its lack of environmental regulation, and its union-free labour rights — into North America in keeping with the political desire of still further weakening the social and workplace rights of American and Canadian people, so too East Europe is seen as a playing field from which the social gains of West European societies can be attacked. Either the threat is of 10 million Soviet and Eastern European people coming into West Europe to drive down wages, or firms are threatening to move production to Eastern Europe and thus destroy jobs in the West.

It is not a traditional question of defending jobs against the depredation of capital. The structure of industry and work under communism was untenable. For example, in the giant Nowa Huta steel plant near Krakow in Poland, 25,000 people work, or more accurately are employed, to make four million tons of steel a year. A tenth of that number would make the same amount of steel in Japan or Britain. In the Skoda auto assembly plant near Prague in Czechoslovakia, the paint shop offers no environmental protection of any sort. In the Soviet Union, 700 miners died in pit accidents every year — an average of one dead Russian for every million tons of coal produced. Average life expectancy for male industrial workers in Eastern Europe is about 55 years — 10 to 15 years less than in the West or even in the hothouse of Asian production. In Katowice in Poland, a white shirt-collar turns grey, then black after a few hours, so filthy is the air. Environmental activists in Krakow believe there is a simple solution to their problem which is to close down Nowa Huta, thus putting 25,000 people instantly out of work.

The issue at stake is not a continuation of old-style production and employment patterns. These are unsustainable, destructive not just to the external environment but to the health of millions of workers themselves. Changing this system is one of the great tasks of history.

CAN EASTERN EUROPE MOVE toward a plural society, with a market economy, that respects the needs of all its citizens? So far, the signs are not good. Growing unemployment is one feature. The political instability of some states is also evident. In the Soviet Union and its republics, for instance, many people have been killed in various conflicts. In Yugoslavia, the Serbs hate the Croats and the Albanians, the Croats have proclaimed themselves an independent, separate state, the Slovenes have declared independence and want to link to their neighbours, Italy and Austria. In Bulgaria, the Turkish minority is persecuted: in Romania, the Hungarian minority is under attack.

Even in the apparently more stable countries where the governments have full democratic legitimation, there are great difficulties. In Czechoslovakia, an independent Slovakia may soon be separating off. In Hungary, the Roma population is brutally treated. In Poland, there is visible antisemitism and a rolling back of women's rights. In Eastern Germany, neo-Nazis are on the march again.

One of the theories of Eastern European politics is the refrigerator theory. This goes that if the door is slammed shut on a fridge for 40 years, then when it is pried open what is inside is a pretty nasty sight, and some very evil things crawl out once the thawing process begins. One can take a worst-case scenario and imagine some form of civil war in the Soviet Union over the question of national independence. After all, if Georgia in the USA went to war in the 1860s for its independence, why should not Georgia in the USSR have the same wish in the 1990s? The difference, of course, is that any civil war in the Soviet Union would be fought with nuclear weapons and with half a million Soviet troops still stationed in Eastern Europe.

The nationalist passions that gave rise to two world wars in Europe are once again to be seen at least in the rhetoric and actions of some leading (and it should be stressed, often highly popular, if populist) politicians. But dig a little deeper and the economic question at the base of much of these difficulties becomes evident. In Czechoslovakia, the Slovaks are outraged because they believe Prague is making economic decisions which discriminate against the Slovakian population. One of the first acts of Jiri Dientsbier, the former Charter 77 spokesperson, who is now the Czech foreign minister, was to order a halt to Czech arms exports. In Slovakia, however, 200,000 people work in the arms industry, and their reaction was extremely hostile. The prime minister of Slovakia was forced from office in April 1991 because it was thought he was too supportive of Prague positions. He was replaced by a nationalist Christian Democrat who has risen to power by whipping up nationalist Slovak passions.

Solving legitimate demands for autonomy, for separate identity, for putting right the exploitation of history is a problem many countries have to deal with, as Canadians and Quebecois know all too well. But the rise of nationalist revanchism and irredentism in Eastern Europe, especially in the Balkans, are dangerous elements in what is already an inflammatory economic and social mix. Everywhere

in Eastern Europe one is seeing a swift rise not so much of a 'Yuppie' stratum but get-rich-quick millionaires who are essentially buy-and-sell merchants. One of the scandals in Poland is the amount of food that is bought in Germany which is beyond its shelf-life and thus should be thrown away. Poles buy it cheap and then sell it on the street markets that have sprung up everywhere. The cost to people's health is impossible to measure but the profits are glorious.

Intelligent communist technocrats who headed potentially profitable state-owned enterprises saw what was coming and organized management buy-outs, then linked up with Western partners; now they have moved from a privileged position in the old communist *nomenklatura* to a privileged position in the new capitalism.

Nearly all the advice that Eastern European governments are receiving is to support these trends. Warsaw and Budapest are full of bankers and free-market ideologues offering their services — provided of course they are paid in dollars. Stan Tyminski, the Canadian citizen, got more votes in the Polish presidential election of December 1990 than did the then-Prime Minister Tadeusz Mazowiecki, a co-founder of Solidarity. He did so by preaching the seductive tale that every Pole could become a millionaire if they followed his example and elected him president. The general line, however, is that sturdy commandment from the neoliberal old testament that the rich don't work hard because they are not rich enough while the poor don't work hard because they are not poor enough.

An alternative political and economy strategy or program is extremely hard to come by. Most of the ideas and terminology associated with social democracy, as well as with even trade unionism itself, are associated with the old system. Words such as comrade, brother, sister, and even general secretary are taboo. The parties of the democratic Left have received no popular support. Their position is not helped by the cynical theft of their titles by the old communist parties which now everywhere proclaim themselves 'socialist' or 'social democratic' parties.

In these circumstances, an even greater task and responsibility falls upon the shoulders of the trade unions. The current state of trade unions in Eastern Europe and the Soviet Union is confused and relatively fragmented. In each country, the old official communist-controlled unions now declare themselves reformed, and confront an independent trade union movement, sometimes consisting of just one rival, or sometimes (as in the case of Hungary and the Soviet Union) several organizations claim to represent workers. A classic example is Poland, where both Solidarnosc exists and the rival OPZZ, the inheritor of the old state-run communist union.

There are two important exceptions. One is Czechoslovakia, where a spontaneous revolt by workers in November-December 1989 chased out the old communist union leaders, and at all levels elected new ones. Even here, however, one sees a split between the Czech and the Slovak workers. In effect, there are two confederations covering workers in the two republics which are loosely linked at the top. In Germany, there was hope that some kind of merger could take place between the East German trade unions and their West German equivalents. But as

soon as the Honecker regime fell, the East German workers simply stopped paying dues, and, indeed, the president of the East German confederation, Harry Tisch, was arrested and charged with criminal embezzlement.

IG Metall, the big German metalworkers' union and the sister union to the CAW and the Steelworkers in Germany, initially looked to merge with the East German metal union. But what they found was that, in reality, no such metalworkers' union existed. It had an office in Berlin, and leaders who liked to travel abroad and join in seminars to discuss peaceful coexistence with Western trade unionists silly enough in previous years to think that these unions represented something, but they did not exist as trade unions in a real sense of the word. The card that all workers carried in East Germany was that of the central confederation, and it was that organization which had regional offices and which named most of the officials. It would be as if the CLC were the only union organization in Canada and the CAW, or the Steelworkers, simply had a small office in the CLC building with no independent existence of their own.

Initially, IG Metall hoped simply to take over the East German metal union. But they found that other than a few leaders at the top, it did not exist: it had no membership record, no list of local branches, no shop stewards, and everything was controlled through the central confederation. In effect, IG Metall had to start from scratch and develop their own organization and recruitment drive, send mobile offices to East Germany, and print millions of copies of special journals and recruitment packs. It seems to have worked, because 900,000 East German metalworkers have now joined IG Metall, making it into the world's biggest union with 3.5 million members.

Elsewhere in East Europe, the old official unions have proved more tenacious in staying alive. There are three reasons for this. First, some of them saw the light early on and deposed of old leaders and elected or nominated new reform-orientated, democratic leaders. Secondly, the old unions still control a lot of property such as holiday homes and provide certain welfare and social security rights for workers. A Hungarian worker who wants an annual holiday typically does not have the money to go to Spain, but the union will give him a virtually free vacation at one of its holiday homes. In the Soviet Union, workers who support the new independent unions also keep the old union card in their pockets because this provides access to the food distributed by official unions in the workplace, to housing allocation, and to holidays. Under the communist system, the union acted as a giant personnel agency for state enterprises. Many goods and services which workers in the West are accustomed to buy individually, or which are provided by municipal or independent government agencies, were provided through the unions in communist societies. So in Poland the OPZZ union still claims 4.5 million members in contrast to the fewer than 2 million in Solidarnosc. The third reason for the continued existence of the old unions is that they have enjoyed a kind of rebirth in those countries which have moved to capitalism with Gadarene speed.

Some of the independent unions have conspicuously embraced the ideology and politics of neoliberalism, the free market, and a deep admiration for Thatcher and Reagan. This followed partly from the logic that, my enemy's enemy was my friend, but it mainly expressed the false estimation that a magic potion called "the free market" would instantly transform post-communist societies. Therefore, it has been possible for the official unions to present themselves as more populist defenders of jobs and incomes.

At the same time, the structure and function of Eastern European union organization — independent and ex-official — are extremely chaotic, uneven, and vary from country to country. In Poland's Solidarity, for example, no independent unions represent workers in various industries or sectors; everything is controlled from the Solidarity headquarters in Gdansk. Indeed, one of the complaints heard is that Solidarity has acted more as a political election machine for Lech Walesa than as an independent defender of workers' interests, although this has been changed under the Post-Walesa leadership of Solidarity.

There were massive miners' strikes in the Soviet Union in spring 1991, supported by major metalworkers' actions in Byelorussia, the western republic that borders with Poland. But no strike leader, equivalent to Poland's Lech Walesa, has surfaced amid these struggles. This reflects the extreme democratic accountability that the miners have insisted upon. Every decision is referred back to meetings of strikers who also change their leaders and spokespersons every two weeks. It may be a dream come true for proponents of the old Industrial Workers of the World — a kind of super-Wobblyism — but it is difficult to build coherent trade union structures on this basis. Indeed, each pit made its own decision about whether to strike, and there was no pressure or picket lines at pits where miners stayed at work.

Everywhere there is an excessive localism. In Czechoslovakia, the head of the metal workers union complains that all he does is to rush from one small local dispute to another, as each plant wanted autonomy and believed its problems were unique. This atomization of worker organization seriously threatens the creation of any coherent and united trade union movement, speaking and acting with one voice.

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IN THIS CONTEXT, the role of international support and solidarity is extremely important. The developments in Eastern Europe have become the biggest charge on the agenda of the international labour movement in the recent past, and represent one of the most substantial challenges in the entire history of international trade union organization. There was an important debate at the annual central committee meeting of the International Metalworkers Federation (IMF) in 1990. ['The other IMF,' as it is sometimes called, is the Geneva-based international coordinating body for 16 million workers in the auto, steel, electrical, engineering, and metal industries.] CAW President Bob White made an important intervention by stressing



the need for a coordinated program involving the participation and support of leading affiliates, and not just haphazard visits and initiatives.

His suggestion was endorsed and the program he called for is taking shape. At the IMF annual central committee meeting in 1991, the organization formally affiliated metal unions representing some two million workers from Hungary, Bulgaria, and Czechoslovakia. Since the beginning of 1990, Federation officials from the General Secretary downwards have spent more time visiting Eastern Europe than any other region of the world. The IMF is organizing seminars on trade union operations, organization, and workplace health and safety activities in Poland, Czechoslovakia, and Hungary. Health and safety bulletins are now translated into the languages spoken in these nations. It is the biggest program in IMF history. Similar operations are being carried out by the International Confederation of Free Trade Unions and by the international trade union secretariats covering chemical, food, transport, clerical, and public service workers. Much bilateral work is being undertaken, too. The metal unions in Sweden, Finland, and Denmark have been very active in supporting the democratic trade unions in the Baltic states of Lithuania, Latvia, and Estonia.

It is indeed an impressive program but no one should underestimate the difficulties. The main problem is the lack of clarity as to who sits on the other side of the bargaining table. All trade unions throughout history have developed in relation to the employer, the management, the capitalists. It does not matter if the system is adversarial, based on social partnership, or company unionism. Trade unions have developed according to a kind of labour Newtonian principle of every force producing its opposite reaction. But in Eastern Europe there is no employer class, few managers, and not many capitalists — let alone capital. Maybe they're on the way, although according to Polish economists if Eastern Europe adopted Thatcherist modes of privatization it will take a hundred years to privatize the Polish economy. But for the time being, trade union work in Eastern Europe takes place, not exactly in a vacuum, but without the framework and the obvious targets for attack, mobilization, and negotiation which exist in all capitalist societies.

Then there is the whole problem of language and political culture. Well-meaning trade unionists deliver long lectures on how the shop steward system works in England, or the National Labor Relations Boards in the USA, or codetermination in West Germany, but the highly specific and different nature of trade unionism in various countries is not automatically transferable. The language problem is very important. East European unions often ask Western visitors to send them constitutions or negotiating procedures, but these English-language texts are not much use once they arrive. The Steelworkers have taken the initiative in translating material into Polish but, again, the peculiarities of American labourism, and the panoply of United States-specific union legislation is not automatically transferable.

Some multinational companies are opening up in Eastern Europe — albeit far fewer than was originally expected — and here the Federation is seeking to build links between the workers of multinational subsidiaries in Eastern Europe and their

counterparts in the West. The desire for the unions, especially at the local level, to build contacts with their opposite numbers in the West is overwhelming. Sometimes this is for economic reasons. Often, union missions from the West have been asked about getting in touch with companies in Western Europe or North America, but the reason is the hunt for foreign capital and investment, technology transfer, or export markets. On visits to Eastern Europe, one collects as many English-language brochures describing the products made by firms as one does material on purely trade union issues distributed by local worker representatives.

In addition to help, contacts, and advice about union organization, what is needed is constant political agitation both here and in the Eastern European countries about the need for a new political and economic order. Even as their economies do move in a market direction, the Eastern European nations carry a serious debt burden which sucks the life blood out of their societies. Between 20 and 30 per cent of what Hungary earns in hard currency must be used to pay back debts to the vampires of world finance. Forget voodoo economics: what exists in east Europe is Dracula economics, with the bankers of New York, London, and Zurich keeping their fangs firmly implanted in the necks of Eastern European workers. So political pressure in order to secure debt relief and to open up western markets to Eastern European products is a major solidarity contribution. As Lech Walesa says, although Polish shops are now full of West European products, the European Community allows no or little access for Polish agricultural products.

Since 1945, two major examples of economic development have enriched the world. The first was the 30 long years of growth in Western Europe after 1945. The second was the take-off of production and growth in Asia. In both cases, growth was planned, wealth differentials were kept down, and prices were regulated; governments adopted industrial strategies and retained control over the economic destinies of their countries. Unfortunately, none of these policies are being adopted in Eastern Europe. The results, for the time being, are barely tolerable but in due course may lead to tragedy and a reversion to authoritarian rule as evil as the communist system that has been removed.

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SO WHAT IS NEEDED in East Europe is indeed a new world order, but one based on democracy, and on economic and social justice. The problem is not economic, nor can be put right by top-level missions or a few trade union education seminars — essential as both are. Indeed, there is a need for more extensive trade union support work. Of particular use would be more worker-to-worker, local-to-local contacts especially within the framework of similar industries, or even the same multinational company.

Canada's trade union movement, with its large number of East European immigrant workers and its record of openness and engagement on international issues, should be in the very van of world labour support for Eastern European trade union development. Regular visits to Canadian unions by Eastern European leaders

and activists would expose them to a more generous vision of social organization than the privatized individualism a little to the South.

However there should be few illusions. The problem in Eastern Europe is not to be resolved by economic tinkering or trade union interventions alone. It is profoundly political, and the absence of a coherent political project in the West combining the market and shared growth with social and environmental protection is making it all the more difficult for East Europeans to decide the direction they should take. They have jumped from the frying pan of communism into the fire of capitalism and, as always, it is working people, their families and their communities who pay the price. The Czechs have a saying that a pessimist is simply an optimist with accurate information.

Even so, it is not necessary to end on a pessimistic note. Despite the bleak picture painted, and although hardly anyone who visits Eastern Europe, goes into workplaces, talks with workers and their unions can fail to fill his or her notebook with negative facts and comments, there are great possibilities. Here are some of the best-educated peoples in the world, with the potential to feed themselves and make products for peaceful and progressive use. They have a framework of democratic rights in the education, health, and pensions spheres which, however corrupted by communist centralism, exist as a given accomplished fact. Turning Eastern Europe into Latin America will require a second, oppressive and authoritarian revolution against which there would be mass resistance.

Workers, intellectuals, indeed all the people have achieved one of the great revolutionary changes in world history, the overthrow of a dictatorship and done so without widespread bloodshed, retribution, or the denial — so far — of democratic and human rights. No, these countries cannot become Canada or Sweden overnight but they do not have to sink into the poverty and social division of Mexico or Colombia. They can retain social rights which were mainly nominal under communism and build new societies which turn those rights into reality.

Time, however, is short. If we enter the 21st century with Eastern Europe a region of social division, extremist politics, a few rich and many poor, then that will be the direction the rest of the world goes. If, on the other hand, the people of Eastern Europe (and here one must include the Soviet Union) can develop a political, economic and social order based on cooperation, fairness, and mutual tolerance, then they will set a model that other regions of the world can follow.

The contribution of trade unionists in Canada and elsewhere to helping the workers of Eastern Europe and their trade unions is vital because democratic, independent, and responsible trade unions must be part of the new order in Eastern Europe. It is the greatest challenge to international trade unionism this century.

*This is an edited version of a talk Denis MacShane gave to a conference of Canadian Auto Workers' officers in Port Elgin on 2 May 1991.*