

R E G I O N S

Cambodia: What Next?

The withdrawal of Vietnamese troops from Cambodia at the end of September signifies, in the short term, the removal of an important obstacle to the re-establishment of peace and the eventual formation of a government acceptable not only to Cambodians but also to foreign powers that have been party to the dispute.

The conflict in Cambodia began with the CIA-backed overthrow, in March, 1970, of Prince Norodom Sihanouk, the country's hereditary god-king. For the next decade Cambodia became a killing field. Vast areas were free-fire zones for American B-52s under the U.S.-supported Lon Nol regime (1970-1975), and thereafter, one-fifth of Cambodia's population fell victim to the auto-genocidal policies of the China-backed Khmer Rouge led by Pol Pot (1975-1979). Since January, 1979, Cambodia has slowly recovered in an uneasy peace under Vietnamese military presence, and a Vietnam-sponsored government, headed by Hun Sen.

The conflict of the past decade has largely involved non-Cambodians — on the one side, Vietnam and on the other, China, the ASEAN states and the U.S. — external powers that

seek to impose a settlement advantageous to their own interests. Vietnam had been under international pressure to withdraw its military presence. Isolated internationally and weakened internally by economic mismanagement and political disorientation, Vietnam announced in April the total withdrawal by the end of September of its remaining troops, estimated at its height in 1982 at 200,000.

Cambodia's political future remains uncertain. However, with the total withdrawal of the Vietnamese military, Cambodians are now presented with a great opportunity to rebuild a peaceful, stable and prosperous society. The recent Paris Peace Conference (in which Joe Clark participated actively) was a failure. But in longer historical perspective, the withdrawal of Vietnamese armed forces may well represent the last act in the decolonization process of Indochina. It may well be viewed as an important turning point in post-World War II Southeast Asian history.

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Argentina: Menem's Gamble

Carlos Menem assumed the Argentine presidency last July in the midst of the worst socio-economic crisis in this century. The victorious Peronist candidate inherited record debt and unemployment, a bankrupt treasury, and collapsed industrial production and private investment — not to mention international isolation following a year's suspension of debt payments and the continuing internal military crisis. The ominous onset of food riots and hyperinflation (200 per cent in July alone!) presaged the final exhaustion of a society worn out by triple-digit annual inflation for more than a decade.

In this situation, Menem made an astonishing about-face on his electoral programme and traditional party principles. He virtually ceded management of the economy to the country's dominant economic interests, his party's erstwhile most fierce critics who had amassed great wealth in the preceding decade. Similarly, he abandoned Peronist nationalism to cultivate foreign investment and good relations with Washington and international financial organizations. His economic restructuring features pervasive deregulation, privatization and incentives for agricultural and petrochemical exports. An immediate and drastic anti-inflation plan halted hyperinflation — at least for the time being — in that it fell to 38 per cent in August and to less than 10 per cent in September. On the political front, he pardoned military officers accused of human rights violations.

Menem's objective is to renew Argentina's capitalism based on its enormous natural resource base. To accomplish this, he must maintain stability at all costs, while gradually consolidating a right-wing populism to guarantee stability for Argentinean and foreign investors. Politically, the abrupt *volte-face* implies postponing his electoral promises to reverse the declining living conditions of the Peronist union membership.

Will his gamble succeed? He is clearly caught in a potentially fatal dilemma. His new strategy requires abandoning his mass democratic base in the Peronist movement in favour of the Argentine industrial elite — noteworthy for its absence of social conscience and pursuit of short-term speculative profit. Menem believes that the elite will be an efficient and democratic partner in a reborn Argentina, but such a transformation appears remote, at least in the short term. But he has no other option; his shift rules out another political mobilization of the Peronist faithful as a counterweight to the private interests now managing state policy. The new economic model and Argentina's continuing democratic commitment now rest with Menem's new interlocutors. His great risk is that he has prematurely burnt his political bridges.

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