OTHER NATIONS

Going Private In Europe

"The Politics of Industrial Privatization in Western Europe: An Overview" by John Vickers and Vincent Wright, in *West European Politics* (Oct. 1988), Gainsborough House, 11 Gainsborough Rd., London E11 1RS England.

From London to Lisbon and Rome, Western Europe's political leaders have been putting more and more government-owned enterprises on the auction block during the 1980s. "Privatization" has "swept the world," exults Britain's Conservative finance minister, Nigel Lawson.

Yet, Vickers and Wright, both British scholars, note that the extent of privatization and the motives behind it vary widely. Only in Margaret Thatcher's Britain and Jacques Chirac's France is there great enthusiasm for anti-statist, free market ideology. And they are the only nations where many large companies, such as British Oil, have been sold off in their entirety.

Elsewhere, the authors believe, more "pragmatic" considerations have ruled. In some cases, "privatization" has been based on business judgements by government executives. Calling Italy's large government holding company, IRI, "a gigantic group of dwarfs," company head Romano Prodi jettisoned several holdings to rationalize management. Often, governments have sold minority shares to the public to raise cash. Spain's socialist government sold SEAT to Volkswagen because it realized that a small automaker could not compete in Western Europe's increasingly integrated economy. Several governments have divested themselves of money losers (e.g., Italy's Finsider) to ease demands on the public purse.

In Sweden, Denmark, and Holland, privatization has not gone very far because there are few government-owned companies to sell. In West Germany, most public enterprises are efficient and popular. Very few politicians anywhere are interested in ending government monopolies in telecommunications, utilities, and railroads.

Vickers and Wright doubt that privatization in Europe has been far-reaching enough to have much economic effect, except perhaps in Britain and France. And in France, many state-owned assets were sold to big corporations, increasing private ownership, but not necessarily competition. Everywhere in Western Europe, government still tightly regulates private industry. It "continues to be provider, regulator, entrepreneur, purchaser and umpire in industrial affairs, imposing a corset on some actors and providing a safety net for others."

Caribbean Stew

"Caribbean Complexities" by Aaron Segal, in *Current History* (Dec. 1988), 4225 Main St., Philadelphia, Pa. 19127.

Violence and voodoo in Haiti or refugees from Castro's Cuba dominate America's scanty TV news flashes from the Caribbean. But the region has become more complicated—and more interesting—than that, says Segal, a political scientist at the University of Texas, El Paso.

By Segal's definition, the Caribbean region embraces 26 heterogenous "independent and dependent countries" ranging over 2,500 miles from the Bahamas to Puerto Rico to Trinidad to French Guiana. Its 30 million people variously speak English, French, Dutch, and Spanish, plus local Creole dialects; local trade, even between neighboring islands, is minimal; every Caribbean country looks to North America or to Europe.

Most remarkable, in Segal's view, is the persistence of democracy, despite widespread poverty. Eleven of 13 former British colonies (e.g., Jamaica, St. Kitts, Antigua) have stuck to parliamentary systems—a rarity among ex-colonies elsewhere in the Third World. Barbados is the biggest economic success (per capita income: $5,150). Segal credits the island's lively two-party contests, its manufactured exports, and the "high civic identity" of its 254,000 citizens.