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## Salvadoran Banks Reprivatized

*by Deborah Tyroler*

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On Dec. 4 and Dec. 7, Salpress issued a series of reports on the Nov. 29 privatization of the Salvadoran banking system, approved by the National Assembly. The congress is dominated by the ruling Nationalist Republican Alliance (ARENA) party. The reprivatization was implemented in accordance with an International Monetary Fund agreement, and ARENA's economic program. The nation's farming cooperative organizations and 12 leading labor coalitions denounced the move. The National Union of Workers and Peasants (UNOC) said the decision would reduce cooperatives' ability to obtain credit. UNOC spokesperson Orlando Arevalo said President Alfredo Cristiani had not responded to a set of alternatives to the privatization developed by trade unions. The Inter-Union Committee (IUC), which includes the nation's three largest labor federations, had proposed splitting bank stock among private sector businesses, cooperatives and the government, or between the private sector and cooperatives only. The Bank and Financial Institutions Employees Union (SITRABIF) charged that the banks would be sold to persons having an estimated \$335 million in delinquent loans from the same financial institutions. SITRABIF leaders said 40% of the debtors are ARENA members. The Democratic Peasant Alliance (ADC), the Peasant Communal Association (ACC), and the National Resettlement Coordinating Committee (CNR) were also opposed to the reprivatization. Rene Hernandez, leader of the agricultural cooperative confederation, CONFRAS, said the privatization would leave 80% of the country's cooperatives without credit since the private banks will not lend to indebted entities. Only 14 of the nation's cooperatives established via agrarian reform legislation do not have outstanding debt. For the same reason, he said, most medium- and small-scale businesses also will not be able to obtain credit. Hernandez predicted corn, bean and rice shortages for next year due to expected credit availability problems.

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