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Emerging from totalitarianism

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CENTRAL AND EASTERN EUROPE 30 YEARS AFTER THE FALL OF THE BERLIN WALL

The States of Central and Eastern Europe, now members of the European Union, are lands of contradiction : their populations, mainly pro-European [1] democratically elect representatives who are eroding Europe's democratic institutions and values [2] : the respect of the rule of Law, the freedom of the media, the pluralism of opinions. One simply has to observe the xenophobic, openly authoritarian discourse of Poland's Law and Justice (PiS) party, the multiple bids made to undermine the independence of the judiciary in Romania and the clientelist regime led by Viktor Orban in Hungary. In the Länder of the former GDR, the far-right party (Alternative für Deutschland, AfD) is achieving record results (during the regional elections in Thüringen on 27th October, the AfD came second, ahead of Angela Merkel's CDU). Indeed 57% of East Germans say they feel like "second class" citizens. Only 38% of them see the reunification as a success, of whom only 20% are under 40 [3]. It is not surprising then that the AfD's slogan is "Complete the transition". Ronald Reagan's "There is only one Berlin" has a very different ring.

OBSERVATION

First of all, the fall of the Berlin Wall meant the reunification of Europe and was, for the countries of Central and Eastern Europe, synonymous with European integration. This led to three decades of democracy and individual freedom, economic growth and improvements in living standards. It was the advent of peace in Europe.

However, we might recall Viktor Orban's comments in a speech he gave in Tusnad in 2018: "Thirty

years ago we thought that Europe [4] was our future, now we think that we are the future of Europe" [5] Ivan Krastev stressed that "European integration was widely understood and accepted as the major factor guaranteeing the irreversibility of democratic change (...) but this has revealed itself to be false however." [6] Hence now seems an opportune moment to wonder what went wrong?

The nationalist and populist movements, which now typify the political landscape of the countries of Central and Eastern Europe, share several traits of character as follows: their discourse is built on the criticism of the institutions in Brussels - but as an illustration of the opportunism of their leaders, they do not advocate exiting the Union. Whilst they base their narrative on denatured nationalism, instrumentalised for political reasons, with a mix of sovereignty and independence, they also speak of a "white, Christian" European identity" [7] said to be their reason for the rejection of refugees, for example.

They also harbour tensions linked to the way the economic and political transformation process was approached in the 1990's: with little concern for local conditions, shaped by decades of totalitarianism, and with a shared belief in the ideological triumph of liberal democracy over communism and by extension, the surpassing of geopolitical rationale in the conduct of international relations.

REVOLUTIONS UNLIKE OTHERS

Historians put forward an interesting point: the collapse of communism in the East Bloc took everyone by surprise. Starting with the establishment of a round table in Poland in February 1989, then the Monday demonstrations in Leipzig,

[1] 73% of Romanians, 65% Hungarians, 86% of Poles think that being a EU Member is beneficial for their country. See - <https://www.europarl.europa.eu/at-your-service/en/be-heard/eurobarometer/emotions-and-political-engagement-towards-the-eu>

[2] On this see the interview by the author with Dacian Ciolos in April 2018 - <https://legrandcontinent.eu/fr/2018/04/18/nous-avons-rencontre-dacian-ciolos/>

[3] <https://www.reuters.com/article/us-germany-east/30-years-after-fall-of-berlin-wall-east-germans-feel-inferior-idUSKBN1WA1MF>

[4] Understood as an area of values.

[5] <https://legrandcontinent.eu/fr/2018/08/05/des-carpates-a-leurope-la-vision-geopolitique-de-viktor-orban/>

[6] Ivan Krastev, *Le destin de l'Europe*, 2017, p. 71-72.

[7] Expression widely used by Viktor Orban.

followed by the fall of the Berlin Wall, the Bulgarian regime, the Velvet Revolution in Czechoslovakia and ending with the bloody overthrow of the Ceausescu regime in Romania on 25th December - within a year the communist regimes of Central and Eastern Europe had all been swept away.

The word "revolution" was not used by the dissidents nor the demonstrators who at first asked just for a reform of the regime and not for its overthrow. British historian, Timothy Garton Ash notes, "*Curiously enough, the moment when people in the West finally thought there was a revolution was when they saw television pictures of Romania: crowds, tanks, shooting, blood in the streets. They said: "That - we know, that is a revolution," and of course, the joke is that it was the only one that wasn't.*" [8]

THE ECONOMIC RESHAPE AND THE TRANSFORMATION OF THE STATE

According to the European Bank for Reconstruction and Development (EBRD) [9], "transition is a progression from a command economy to an open market-oriented economy. The transition concerns institutions. It is the institutional arrangements for the allocation and generation of goods and resources and the ownership incentives and reward structures that institutions embody that characterize the differences between a market and a command economy." [10]

We can distinguish three dimensions in the transition process: from the political point of view, the replacement of a single party regime by a liberal, democratic, pluralist political system. From the economic point of view, it means the dismantling of the planned economy, and its replacement with a functional market economy [11]. Then there is the social dimension: "*the replacement of an ideologically and politically determined social structure with a meritocratic structure based on non-discrimination and equal opportunity*". [12]

Two factors have determined the transformation

process in CEE countries: firstly, in the autumn of 1989 there was no preliminary agreement regarding a possible reform strategy, either in the universities or within international organisations [13]. Secondly, these countries wanted to "return to Europe".

The hope and perspective of joining the European Union animated all policies and reforms modifying the formal laws (laws and constitutions). According to A. Aslung "*the petrified communist dictatorship had to give way to democracy and individual freedom, the state-controlled economy to markets, and the public ownership to private property. The rule of law once rejected by communism, shall now be established.*" [14]

And yet the role and importance of informal constraints, understood as norms and habitudes (trust, the conception regarding the role of the State, the practice of bribes, which typify a society marked by penury etc...) which progressively evolved in regard to the previous formal framework [15], were totally neglected.

For citizens totalitarianism is synonym with defiance. Democracy implicitly demands trust. It is a gradual change, which unlike laws that can be changed from one day to the next, requires time. There is an tension inherent to transformation, between the formal framework which changes over a short period of time and a decreasing approach, and informality, which changes slowly, in an ascending manner, but which can hold great sway: from an economic point of view over transaction costs, from a political point of view over citizen participation.

Let us take several examples: Viktor Orban's victory in the Hungarian elections of 2010 had as background the Prime Minister (2004-2009) Ferenc Gyurcsány' discourse [16] whereby he publicly admitted that he lied to the Hungarian people and that austerity measures would be necessary. At the same time in Romania, in the wake of the austerity measures and budgetary cuts that followed the 2008 economic crisis, we note a series of victories on the part of the social democratic party. It is no secret that the

[8] Timothy Garton Ash in Sorin Antohi and Vladimir Tismăneanu, *Between Past and Future, The Revolutions of 1989 and their Aftermath*, Central European University Press, 2000, p.395.

[9] EBRD Transition Report 1994.

[10] Ibid.

[11] D. Light, D. Phinnemore. (2001). *Post-communist Romania, Coming to Terms with Transition*. Palgrave.

[12] Ibid.

[13] Sgard, J. (1997). *Europe de l'Est, la transition économique, Dominos*.

[14] Aslung, A. *How Capitalism was built, The transformation of Central and Eastern Europe, Russia and Central Asia*, Cambridge: Cambridge University Press, 2007.

[15] OE. Williamson, *The Theory of the Firm as Governance Structure: From Choice to Contract*, 2002

[16] *In Hungary the affair is now as Őszödi beszéd.*

Polish party PiS also introduced a significant social programme. A certain idea of the role of the State, previously ignored by most observers, has started to emerge.

TWO FACTUAL DETAILS TO UNDERSTAND THE PRESENT SITUATION: EVIDENT BUT INCOMPLETE ECONOMIC CATCH-UP AND AN EXODUS TO THE WEST

At the time of the fall of the Berlin Wall, the countries of Central and Eastern Europe had excessive foreign debts, major budgetary deficits and suffered penuries of all types. Since then they have experienced strong economic growth, reflected in catch-up with the economies in the West. The transfers of European structural funds have played a vital role: over 7 years 86 billion € for Poland, 25 billion € for Hungary!

Gaps remain however: according to the ECB there are certain Member States, such as the Czech Republic and Slovenia; which rapidly achieved GDP per capita levels of over 80% of the European average. In other Member States, like Poland, Slovakia, Lithuania and Estonia, the GDP per capita remains below the Union average, with a difference of between 20 to 30% [17]. The case of Germany is particularly interesting: despite reunification, convergence is still imperfect.

A second factor to take on board is the massive exodus of East European populations towards the West. According to the International Monetary Fund there is a link between the quality of institutions and emigration of qualified personnel, because *"the most educated people are the most likely to demand and cause change in society"* [18]. Data is revealing: between 2007 and 2015, 3.4 million Romanians emigrated, notably young people: 46% are aged 20-34, 25% 35-44 years of age. The figures are comparable with regional trends, for example 2 million emigrated from Poland.

THE STRATEGIC CONSEQUENCES OF THE FALL OF THE WALL IN THREE POINTS

1. The failed integration of Russia in the international system.

In 2004 Vladimir Putin described the disappearance of the Soviet Union as the greatest geopolitical catastrophe of the 20th century. With the dissolution of the USSR in 1991, Russia lost all of its territories acquired during the expansion of the Czarist empire in the 16th and 18th centuries. America's victorious conception of the end of the Cold War had several consequences: firstly, the countries of Central and Eastern Europe, seen for a long time by Russia as a buffer zone between the East and the West, progressively joined NATO – Poland, Hungary, Czech Republic in 1999, Slovakia, Slovenia, Romania, Bulgaria, the Baltic countries in 2004. This was the genesis of Putin's narrative: *"They lied to us on several occasions, they took decisions behind our back, they placed us before the fait accompli."* This perception of having been disregarded explains the military intervention in Ukraine, triggered by the country's association agreement with the European Union.

2. A strengthening of European dependency on the US for its security

If the former communist countries saw the guarantee of their security in NATO, for the countries of Western Europe, in the euphoria and enthusiasm caused by the fall of the Berlin Wall, sign of the lack of all strategic culture, it meant widespread disarmament. The strategic issue was totally missing from the discussions regarding the new members' accession to the EU. Hence, Poland is purchasing American airplanes, and Romania prefers NATO etc.

3. The regionalisation of Europe

On 4th June 1989 the Communists in Poland suffered a massive defeat in the elections. On the same day the Chinese armed forces crushed the demonstrations in Tiananmen Square in Beijing.

[17] <https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op212.en.pdf?4fb162b7860b22d4e648199c5bc9ecfb>

[18] <https://www.imf.org/external/pubs/ft/sdn/2016/sdn1607.pdf>

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There is a deeply rooted belief in the conception of the post-1989 world, which has influenced relations between the countries of Eastern Europe and China over the last three decades; Fukuyama's "end of history" forecast the advent of liberal democracy, and so the dismantling of the Chinese communist regime was just a question of time. Hence the benevolent acceptance of its expansion and growth.

here – a republic or a monarchy?" Franklin turned and said "A republic, if you can keep it".

Hence, thirty years after the fall of the Wall, there is still hope –peaceful demonstrators in the streets of the towns of Eastern Europe, oppose the authoritarian direction adopted by their representatives and leaders.

In conclusion we should recall Benjamin Franklin's response to a question upon exiting the Constitutional Convention in 1787: "*Well, doctor, what do we have*

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