

Comparative Government and Politics of West and East Europe – part 2

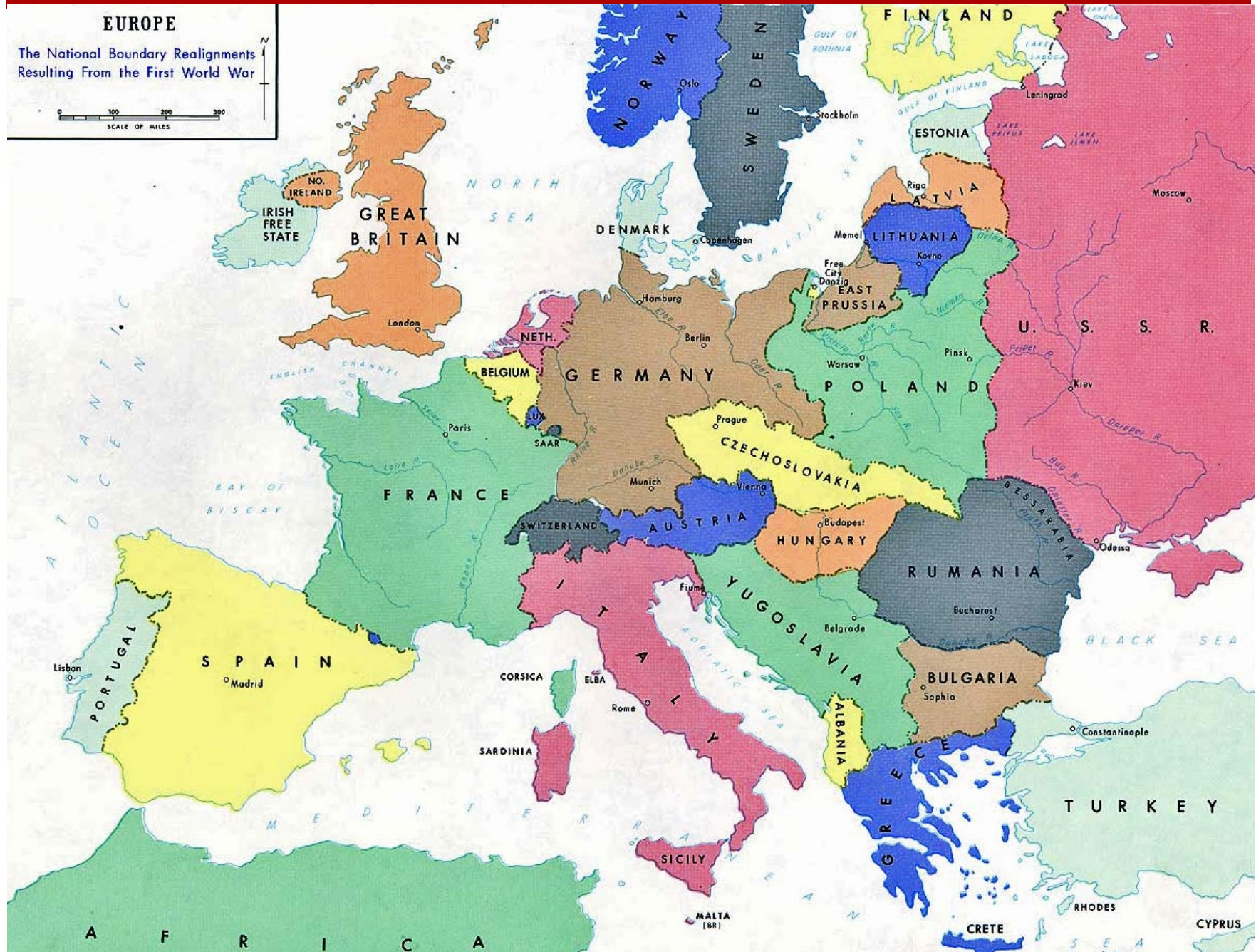
Ronald Car



EUROPE

The National Boundary Realignments
Resulting From the First World War

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SCALE OF MILES



Central and eastern Europe



Deterrents to democracy in CEE

- **Prior to WWII:**

Shallowness of democratic attempts and turn to authoritarian institutions (with exception of Czechoslovakia) due to nationalistic conflicts, corruption, weak civil society,

- **Radicalization during Nazi occupation (“civil war” between domestic fascist and antifascist movements),**
 - **Soviet occupation in 1945, post-war revenge, economic collapse.**
-

Members of communist party

	1939-41	1945	1947	1950
Albania	-	-	45.000	-
Bulgaria	8.000	250.000	495.000	460.000
Romania	500	101.810	710.000	720.000
Hungary	500	227.000	660.000	829.000
Yugoslavia	12.000	-	141.000	530.812
Poland	8.000	189.000	849.000	1.360.000
Czechoslovakia	60.000	500.000	1.300.000	2.300.000

- **“In capitalist society ... democracy is always hemmed in by the narrow limits set by capitalist exploitation, and consequently always remains, in effect, a democracy for the minority, only for the propertied classes, only for the rich.**
- **... the modern wage slaves are so crushed by want and poverty that "they cannot be bothered with democracy", "cannot be bothered with politics“.**
- **If we look more closely into the machinery of capitalist democracy, we see everywhere, in the supposedly petty details of the suffrage, in the purely capitalist organization of the daily press, etc., we see restriction after restriction upon democracy”.**

Lenin, *State and Revolution*

(August-September 1917)

- **“But from this capitalist democracy forward development does not proceed simply, directly and smoothly, towards "greater and greater democracy", as the liberal professors and petty-bourgeois opportunists would have us believe.**
 - **No, it proceeds through the **dictatorship of the proletariat**, and cannot do otherwise, for the resistance of the capitalist exploiters cannot be broken by anyone else or in any other way.**
 - **Simultaneously with an immense expansion of democracy, the dictatorship of the proletariat imposes a series of restrictions on the freedom of the oppressors, the exploiters, the capitalists.**
 - **Their resistance must be crushed by force; it is clear that there is no freedom and no democracy where there is suppression and where there is violence”.**
-

Lenin's plans for the Soviet economy draws directly on German war economy - "the ultimate in modern, large-scale capitalist techniques":

- **"Abolishing the bureaucracy at once, everywhere and completely, is out of the question. It is a utopia".**
- **"Capitalism simplifies the functions of state administration... Imperialism is gradually transforming all trusts into state-capitalist monopoly. We have only to overthrow the capitalists and we shall have a well-equipped mechanism of a high technical quality..."**
- **"The development of capitalism creates the preconditions that enable really all to take part in the administration of the state".**

From organized capitalism to state socialism

- **“These preconditions are: universal literacy, which has already been achieved in a number of the most advanced capitalist countries, then the **training and disciplining** of millions of workers by the huge, complex, socialized apparatus of the postal service, railways, big factories, large-scale commerce, banking, etc”.**
 - **“The whole of society will become a single office and a single factory, with equality of labor and pay”.**
 - **“But this factory discipline, which the proletariat, after defeating the capitalists, will extend to the whole of society, is by no means our ideal, or our ultimate goal. It is only a necessary step for thoroughly cleansing of society of all the infamies and abominations of capitalist exploitation”.**
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Lenin's *Theses on the Constituent Assembly* (26 December 1917)

Lenin refuses multi-party democracy described as an fictitious compromise between opposing class interests:

“The interests of this revolution stand higher than the formal rights of the Constituent Assembly [...] Every attempt to consider the question of the Constituent Assembly from a formal, legal point of view, within the framework of ordinary bourgeois democracy and disregarding the class struggle and civil war, would be a betrayal of the proletariat's cause, and the adoption of the bourgeois standpoint”.

- **“The principal difficulty lies in the economic sphere, namely, the introduction of the strictest and universal accounting and control of the production and distribution of goods...”**
- **“Only with this as our starting-point will it be possible to determine correctly the immediate tasks of economic and financial policy in the sphere of nationalisation of the banks, monopolisation of foreign trade, the state control of money circulation, the introduction of a property and income tax satisfactory from the proletarian point of view, and the introduction of compulsory labour service”.**

Lenin, *The Immediate Tasks of the Soviet Government* (April 1918)

- **“Consolidate and improve the **state monopolies** and by doing so prepare for the state monopoly of foreign trade. Without this monopoly we shall not be able to “free ourselves” from foreign capital to safeguard our internal economic independence”.**
 - **“The raising of the productivity of labour first of all requires that the material basis of **large-scale industry** shall be assured, namely, the development of the production of fuel, iron, the engineering and chemical industries”.**
 - **“Secondly, a condition for economic revival is the raising of the working people’s **discipline**, their skill, the effectiveness, the intensity of labour and its better organisation. Unquestioning subordination to a single will is absolutely necessary for the success of processes organised on the pattern of large-scale machine industry”.**
 - **“Thirdly, it lies in the creation of the best mass organisation of the vanguard of the working people to **lead** the vast mass, to educate them politically”.**
-

Article 126 of USSR constitution (1936):

“Citizens of the U.S.S.R. are ensured the right to unite in public organizations--trade unions, cooperative associations...;

and the most active and politically most conscious citizens in the ranks of the working class unite in the Communist Party of the Soviet Union (Bolsheviks), which is the vanguard of the working people in their struggle to strengthen and develop the socialist system and is the leading core of all organizations of the working people”.

As early as 1904 Leon Trotsky criticized Lenin’s idea of democracy as “substitutionism”: “placing above the proletariat a few well-picked people ... or one person invested with the power to liquidate and degrade”.

Leading role

“Popular democracy”

1945-1948 postwar Anti-Fascist coalition governments formed by:

- communists,**
- social-democrats,**
- small farmers representatives,**
- left-wing Catholics and liberals**

Common goals:

- post-war reconstruction,**
 - nationalization of “enemy” property (German national minority, Nazi collaborationists),**
 - agrarian reform (redistribution of large estates),**
-

- **A compromise between the liberal and socialist model in order to solve social problems without sacrificing democracy:**
- **A parliamentary government composed of all the parties of the Anti-Fascist coalition trying to solve the class conflict by promoting the “democratization of economy”.**
- **Parties representing different social interest must act unanimously and cannot abandon the government. Any idea of opposition is considered as illegitimate obstruction of the common effort.**

“Block system”

- **“The Block promotes the core rule of solidarity... it forces to find a common government that unites friend and enemy in collective work, on which one will have more to say and the other less, but no one can deny his collaboration.**
- **If the rule in the majoritarian democracy is: the majority is always right;**
- **if one can hardly give a name to the rule in the proportional democracy because according to (Weimar) experience the coalition program is in any case so disparate that it dissolves before it can act in an integrated way;**
- **in a democracy determined by the Block the rule is: the whole is always right”.**

Alfons Steiniger,
Blocksystem, 1947

- **A few post WWII electoral successes for communist parties in free elections suggest the possibility for a democratic seizure of power:**
- **Soviet occupied Germany: June 1946 referendum in Saxony on expropriation of the large landowners: 77,5% of approval; October 1946 regional elections the Socialist unity party (SED=KPD+SPD) wins 47,5% of the vote.**
- **Czechoslovakia: 26 May 1946 parliamentary elections: Communist Party obtains relative majority winning 114 of the 300 seats with 38% of the vote.**

Democratic way to power?

- **End of anti-Fascist coalitions:**
- **In West Europe due to Truman «containment» doctrine (march 1947) – expulsion of Communists from the government in France, Italy, Austria (may-november 1947)**
- **In Central-East Europe due to Zhdanov «two camps» doctrine (september 1947) – gradual Communist takeover in Poland, Hungary and Soviet occupied Germany (1947/1948), coup in Czechoslovakia (february 1948).**

Anti-Fascism vs Anti-Communism

Communist seizure of power

- **Communist parties claim the “leading role” within the Block system, thus transforming other parties into puppets or abolishing them.**
 - **Two patterns:**
 - 1) By gaining control over Ministries of the Interior and Defence within coalition governments, thus leading to silent transformation into one-party regime (GDR, Poland, Hungary, Bulgaria)**
 - 2) Apparent revolutions: the leadership of the communist party conducts mass protests to delegitimize parliamentary governments and gain total control: Czechoslovakia 1948**
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**Western interpretation:
Hugh Seton-Watson,
*The East European
Revolution* (1950):**

3 stages theory:

- 1) genuine democratic coalition;**
- 2) bogus coalition;**
- 3) communist party-state**



One-party government

Repression of dissent

- **Undermining of non communist parties from inside (creating divisions, claims of conspiracies against communists);**
 - **Absorbing of social-democratic parties;**
 - **Taking control of social organizations (trade unions, workers' councils...);**
 - **Trials against opposition party leaders.**
 - **“Purges” within the ranks of the communist parties.**
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The Communist government's use of the penal system against political opponents is based on the precedent established during denazification process. "Fascist war criminals" were prosecuted by "people's courts" with little attention to procedural guarantees as in Waldheim Trials (1950).



Political trials

- **Communist parties turn into a “party of a new type” (Stalinist type):**
- **concentration of power within the narrow élite of party leadership (General secretary and executive committee - *Politburo*);**
- **exclusion of internal dissent in lower ranks through the principle of “democratic centralism”.**
- ***Nomenklatura* - Top-down selection of cadres for top positions in the party, public administration, state owned companies and military.**

«Party of the new type»

**Party apparatus
developed in USSR
– compliant,
submissive,
adaptable
bureaucrats**

vs

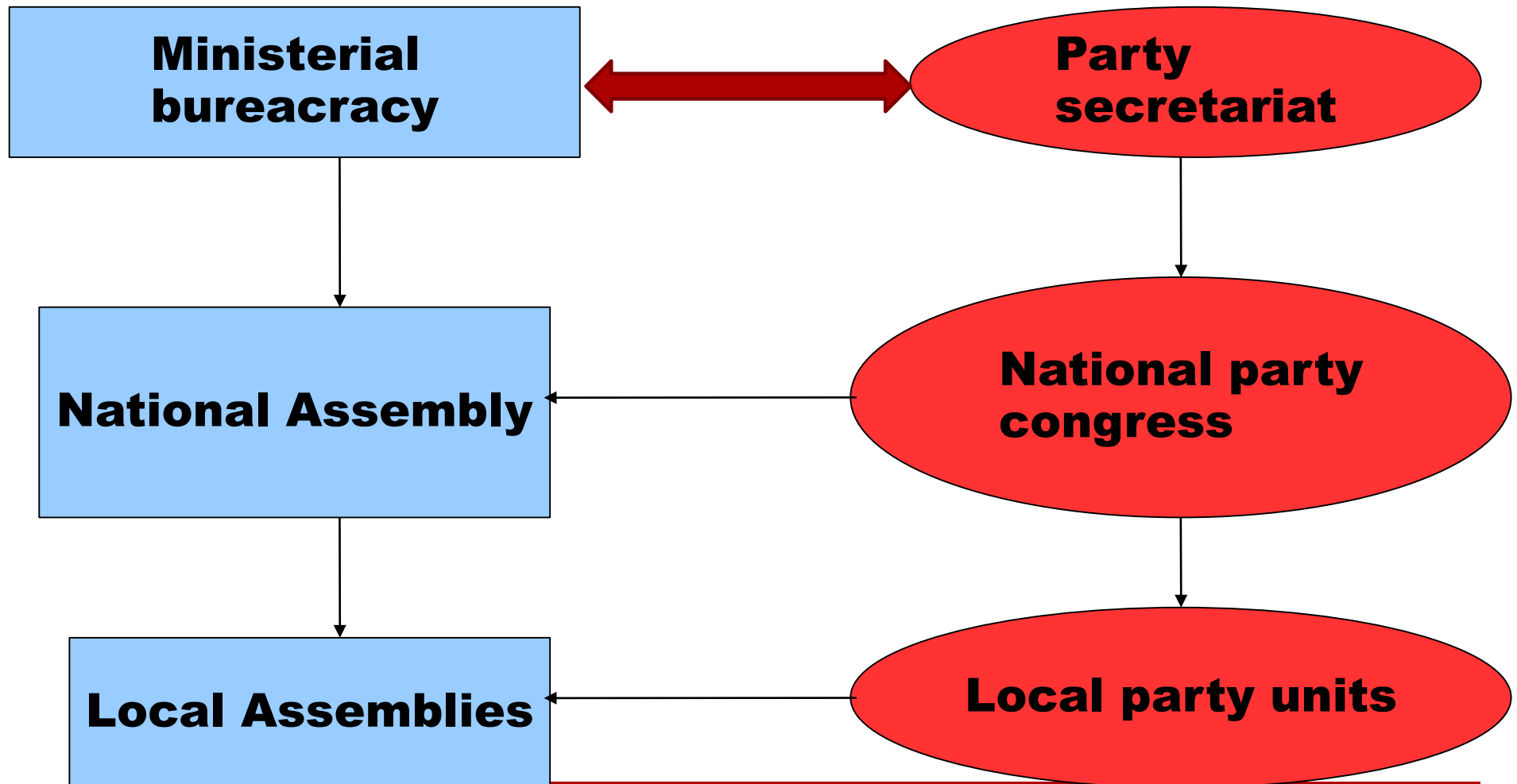
**Party base
developed in
Weimar – rowdy,
rebellious,
challenging
hotheads**

**Party
discipline**



Bundesarchiv, Bild 183-P0220-309
Foto: o. Ang. | 1926/1927

Double institutional structure



Constructing Socialism



Classical pattern (following the historical example of the first Soviet Union' 5-years-plan):

- **Primacy of public property - the regulation of the production is carried out by the planning ministry, instead of the market;**
- **Heavy industry (steel, coal mines, electrification, machinery);**
- **Forming of collective farms.**
- **Full employment.**

Nationalization of the economy

Since 1948: process of taking the industry asset under state control (as a state- or social property), in order to

1)develop a more rational centrally-planned economy;

2)“expropriate the exploiters”.

The economical goals are determined by the governmental social policy through its supply focused macroeconomic policies, instead of profit seeking private investors through demand focused microeconomic policies.

Level of industrialization

Industrialized states

**Czechoslovakia,
German Democratic
Republic**

**Partially industrialized
states**

Hungary, Poland

**Non-industrialized
states**

**Romania, Bulgaria,
Yugoslavia, Albania**

The “take off” phase

1945 - 1970: all countries, except Albania, developed an industrialized economy (on average, 50% of the GDP was coming from industry, 30% from the tertiary and 20% from agriculture) due to energy and raw materials supplied by the Soviet Union at ultra low costs.

Collectivization of the land allows the mechanization of agriculture and the use of fertilizers up to 62% of western European level.

Heavy industry

Bulgaria

**Czecho-
slovakia**

Romania

Poland

Hungary

**East
Germany**

Yugoslavia

1950 **43,4%** **71,2%** **49,6%** **45%** **55,4%** **53,1%** **25,1%**

1970 **57,8%** **73,5%** **70,9%** **67,3%** **55,6%** **69,1%** **44,3%**

- **A socialist equivalent of a horizontally and vertically integrated cartel typical of the German organized capitalism.**
- **Research, development, production, and sales of one economic branch are brought together under a centralized control of the production processes that should serve a greater rationalization.**
- **General directors of the important combines are high nomenclature cadres appointed by the Party's Central Committee and directly subordinated to the minister of its branch.**
- **The Kombinat model is applied also in agriculture, health and education.**

“Kombinat”

In 1980s GDR counts:

- **126 national Kombinats, each consisting of 20 to 40 firms and cca. 20.000 workers.**
- **The biggest: Carl Zeiss Jena (optics), Robotron Dresden (electronics) each with 70.000 employees.**
- **Kombinats produce themselves all the necessary components and services for the production process, thus generating a number of different background workers (e.g. construction workers, electricians, nurses, gardeners...).**

Kombinats in GDR

“Dictatorship of proletariat”

Ideological basis for the dictatorship of the Communist party, which implies in **practical** terms the integration of the industrial working class into the ruling system by:

- 1) Labour and social policies: full employment, upward social mobility through free education, low prices of basic goods, free healthcare, public housing, egalitarian pensions, all financed through limitless welfare spending;**
 - 2) Career advancing as social revenge: shift from blue to white collar at the expenses of previous upper classes, reduced income inequality between them;**
 - 3) Attempts to balance the percentage of blue collars and technocrats (lawyers, economics, engineers) within party ranks – in 1940s 4:1, since 1960s 1:3.**
-

- **Social policies - designed to aid the population and thus:**
 - 1. strengthen the legitimacy of the one-party government;**
 - 2. stimulate the workers to more discipline and productivity;**
 - 3. win the ideological war against capitalism;**
 - 4. promote the compliance as reward for past conduct or incentive for future conformity.**
- **Fringe benefits: nonwage services or goods granted by major companies (Kombinats etc.) – highly important in loyalty building:**
- **Vacation arrangements, sports and cultural activities, child care...**

Social policy

Inversion of social roles

Hungary (as example): between 1948 and 1954 the number of state administrators and factory managers grew by 80%, giving white collar jobs to 227.000 former blue collars.

The government's redistributive intervention creates structural social inequalities along lines of political loyalty.

Meanwhile, 350.000–400.000 members of former bourgeois families had to turn to a social status of factory workers.

Physical labor as punishment: “providing second chances to live right and work honestly”.

Inverted discrimination

Growth in the percentage of university students with working class background (also because of maximum quotas provided for students coming from bourgeois families):

In Poland, from 7% in 1946 to 38% in 1951;

In Czechoslovakia, from 18% in 1946 to 41,5% in 1959.

In East Germany, 58% in 1959.

- 1. Former workers and peasants – 70% of factory directors in Poland, 60% in Hungary.**
- 2. Former upper class – 60% of the cultural elite in Poland.**
- 3. Gender difference in top official workplaces: 95% male vs. 5% female (with female working population growing from 54% in 1950 to 85% in 1970).**



Bundesarchiv, Bild 183-A1206-0011-001
Foto: Junge, Heinz | 8. Dezember 1962

Social elite in 1960's

Economic progress

GDP in constant growth until the 80s stagnation (but some signs of slower growth already in the 70s).

Improvements in the standard of living, housing and health of most of the population.

Levelling of differences between more and less developed regions (example: the relative income of Slovakia amounted to 60% of the Czech part in 1948, and 87% in 1988).

United Kingdom	100	100
GDR	43	74
Czechoslovakia	49	74
Poland	35	51
Hungary	24	53
Romania	19	36
Yugoslavia	18	36
Bulgaria	16	45

**Narrowing the gap with
the West 1948-1965 (GDP)**

Illiterates before communist rule

GDR	Czechoslovakia	Hungary	Poland	Yugoslavia	Bulgaria	Romania	Albania
1,5%	3%	7%	18,5%	39%	29%	42%	60%

Progress in education

Average percentage of illiterate people in 1950 in:

- **Poland, Czechoslovakia and Hungary: 5,9%;**
- **Yugoslavia, Bulgaria, Romania, Albania: 25%.**

Number of university students in 1970:

- **10-15%, lowest in Hungary: 6,8%, highest in Yugoslavia: 14,6%.**
-

City/country

Governments plan mass transfer of rural population into city as cheap unskilled industrial workforce. The flow of rural migration imposes:

- **Reshaping of existing cities (East Berlin, Warsaw),**
 - **Urban extension (Berlin-Marzahn),**
 - **Founding of new towns 1949/50:**
 - **Nowa Huta (New steel Mill),**
 - **Stalinstadt - since 1961 Eisenhüttenstadt, (Ironworks City),**
 - **Sztalinvaros – since 1961 Dunaujvaros**
<https://youtu.be/qpWPrtR5X74>
-

The urban planning and architectural design of our cities, which shall influence the construction of all of Germany, must express the social order of the German Democratic Republic. They shall adhere to the following principles:

- 1. The city is in its structural and architectural design an expression of the political life and the national consciousness of the people.***
- 3. Cities are built by industry for industry. The growth of the city, the population, and the area are determined by city-forming factors, that is, from industry, governing bodies, and cultural sites... The precise discernment and codification of city-forming factors is a matter determined by government.***
- 6. On the squares in the city centre one might find political demonstrations, marches and popular celebrations held on festival days. The centre of the city shall be composed of the most important and monumental buildings, dominating the architectural composition of the city plan.***

“The Sixteen Principles of Urban Design”, 1950

Rural population

ALBANIA

BULGARIA

ROMANIA

YUGOSLAVIA

POLAND

CZECHOSLOVAKIA

HUNGARY

EAST GERMANY

1930	88%	79%	80%	78%	73%	52%	64%	29%
1960	-	62%	68%	66%	52%	43%	58%	28%
1970	66,5%	47%	59,1%	59,8%	47,7%	37,7%	51,1%	26,2%

Socialist city

1) Stalin time period (to mid-1950s):

establishment of urban elements such as highways, central parade squares and pompous large buildings for the worship of state power. However, this style proved to be too expensive and the housing shortage grew steadily.

2) Modern socialist city (1960s and 1970s):

construction of simple and standardized housing facilities in large independent urban units of 8000-12000 inhabitants with their own utilities – sport, health, culture, schools.

Berlin Stalinallee



Berlin-Marzahn



**Stalin times city centre vs
1970' suburban settlements**

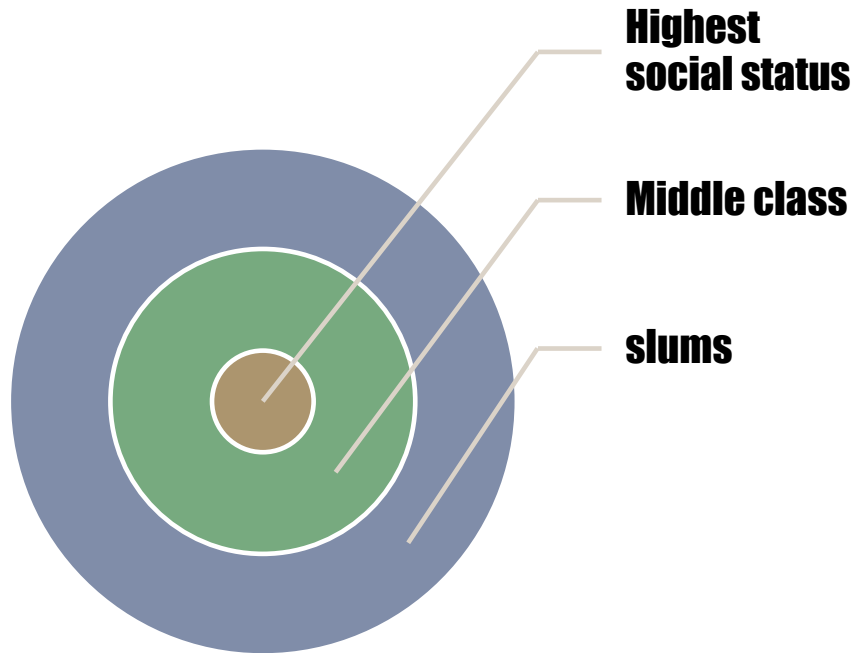
- **The model of "socialist city" is based on a preference for new buildings which are intended to represent the socialist society, while historical inner city buildings were neglected as a model of society considered to be overcome.**
- **The maintenance of the old town areas was deficient for economic reasons also: new constructions were cheaper than the restoration of existing buildings due to the industrial prefabrication of identical units.**

Decay of the old city

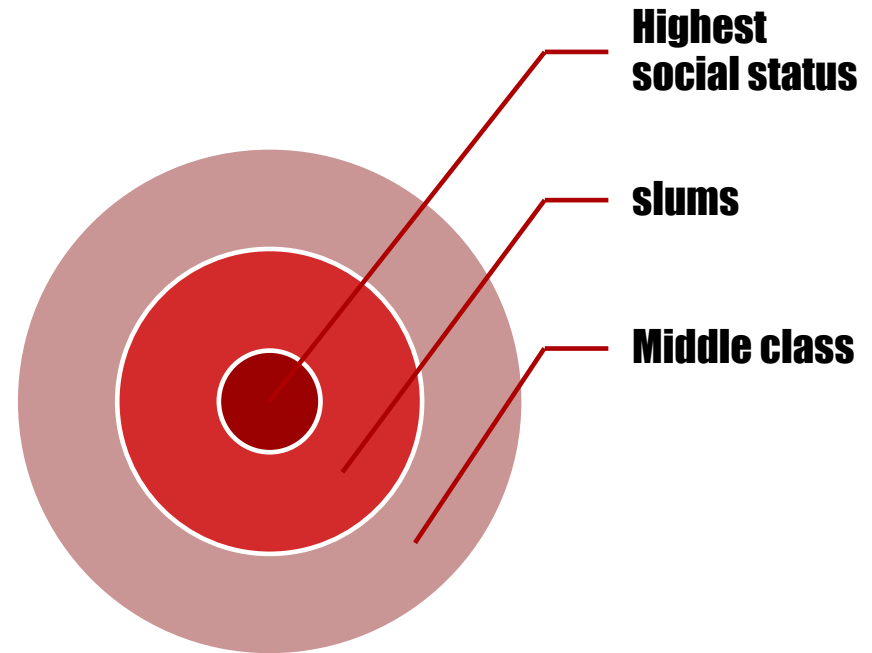


Halle vs Halle-Neustadt

West European model



East European model



Urban inequality: liberal vs socialist city
(Ivan Szelenyi and György Konrád, 1969)

Political turning points

- 1) 1948: suppression of workers' councils and the end of the independence of socialist parties;**
 - 2) 1956: repression of the Hungarian revolution and of its “third way” to socialism;**
 - 3) 1968: military intervention against the Czechoslovak experiment of “socialism with a human face” and the exhaustion of economic reforms (except in Hungary and Yugoslavia)**
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1970'-80' economic crisis

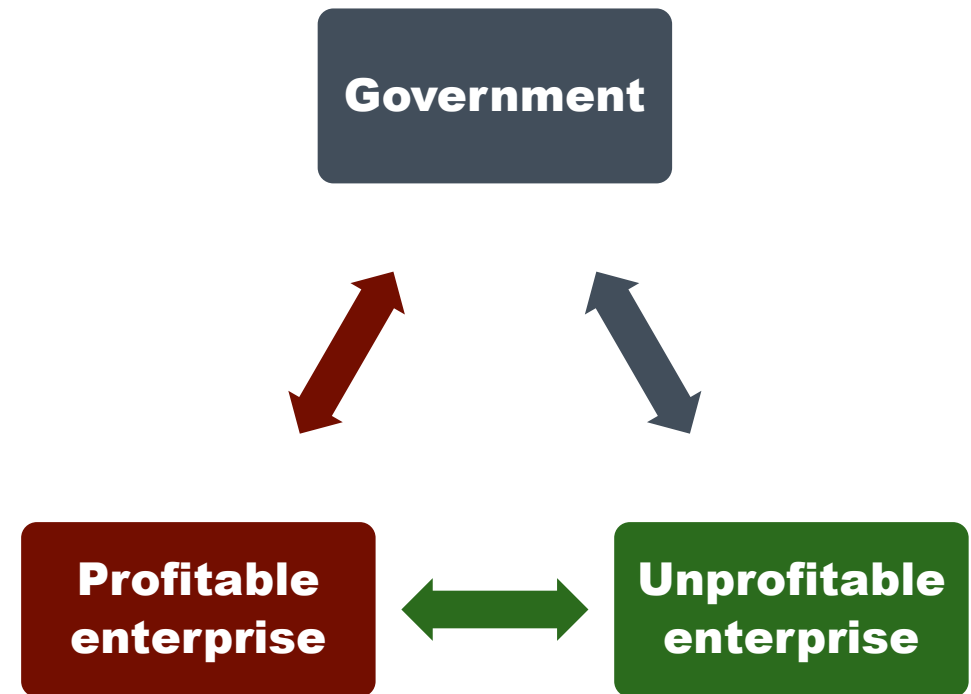
Due to governmental control of the economy, wages and consumption possibilities depend on the political rather than economical success. Thus, planned economies are unable to:

- stimulate greater work commitment;**
- allocate capital efficiently;**
- stimulate innovation.**

Enterprises are not motivated to maximise the profit, since they buy and sell at prices determined by state planners, not by the market.

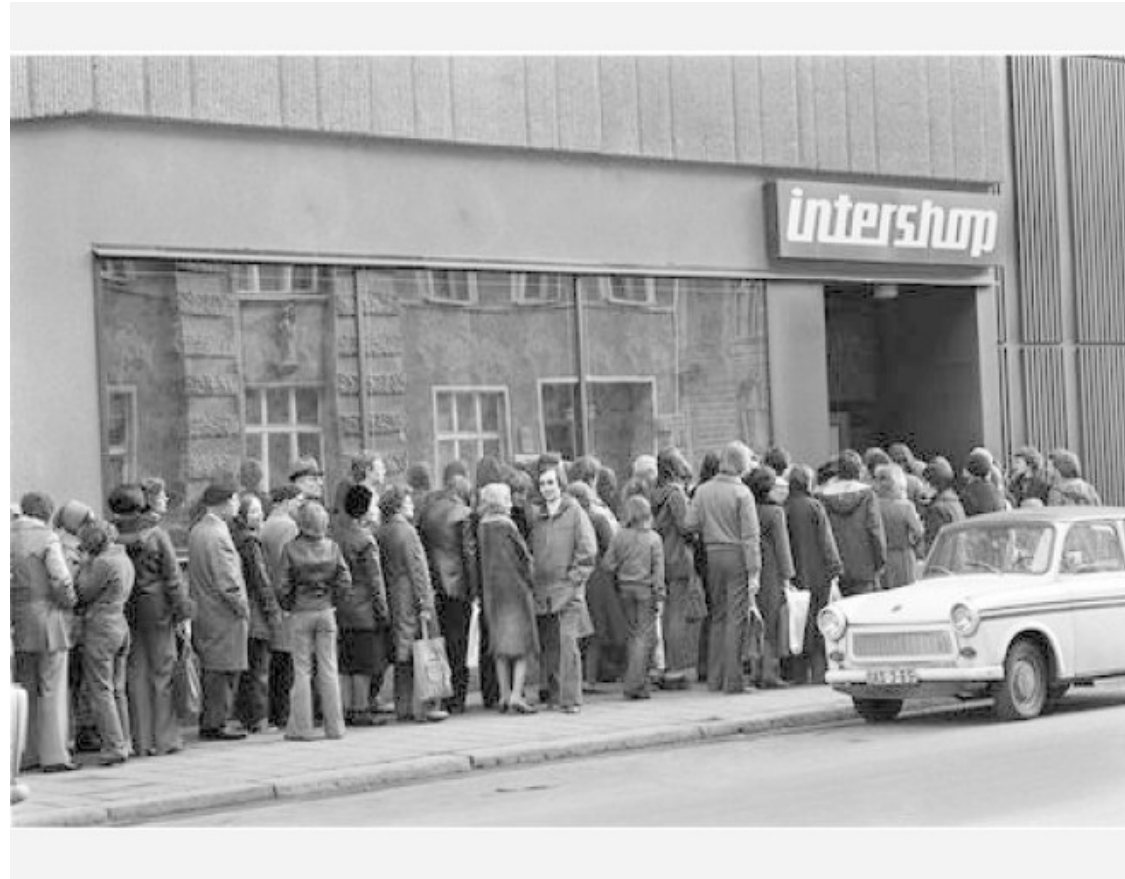
Reformers ask for re-marketization of prices to impose efficiency, but it would recreate inequality within society and reduce party control over economy.

- **Enterprises are dependant on governmental planning for capitals and distribution (vertical ties); reformers ask for reintroduction of market relation between enterprises (horizontal ties) to boost competitiveness – but if uncompetitive enterprises close, the workers lose jobs.**



Productivity vs social peace

Decrease in growth and productivity rate, rising energy costs (1973-4 and 1979 oil crisis) and – most of all – foreign debt cause drastic reduction in the level of investment and progressive reduction in real consumption and in living standard.



Economy of shortage

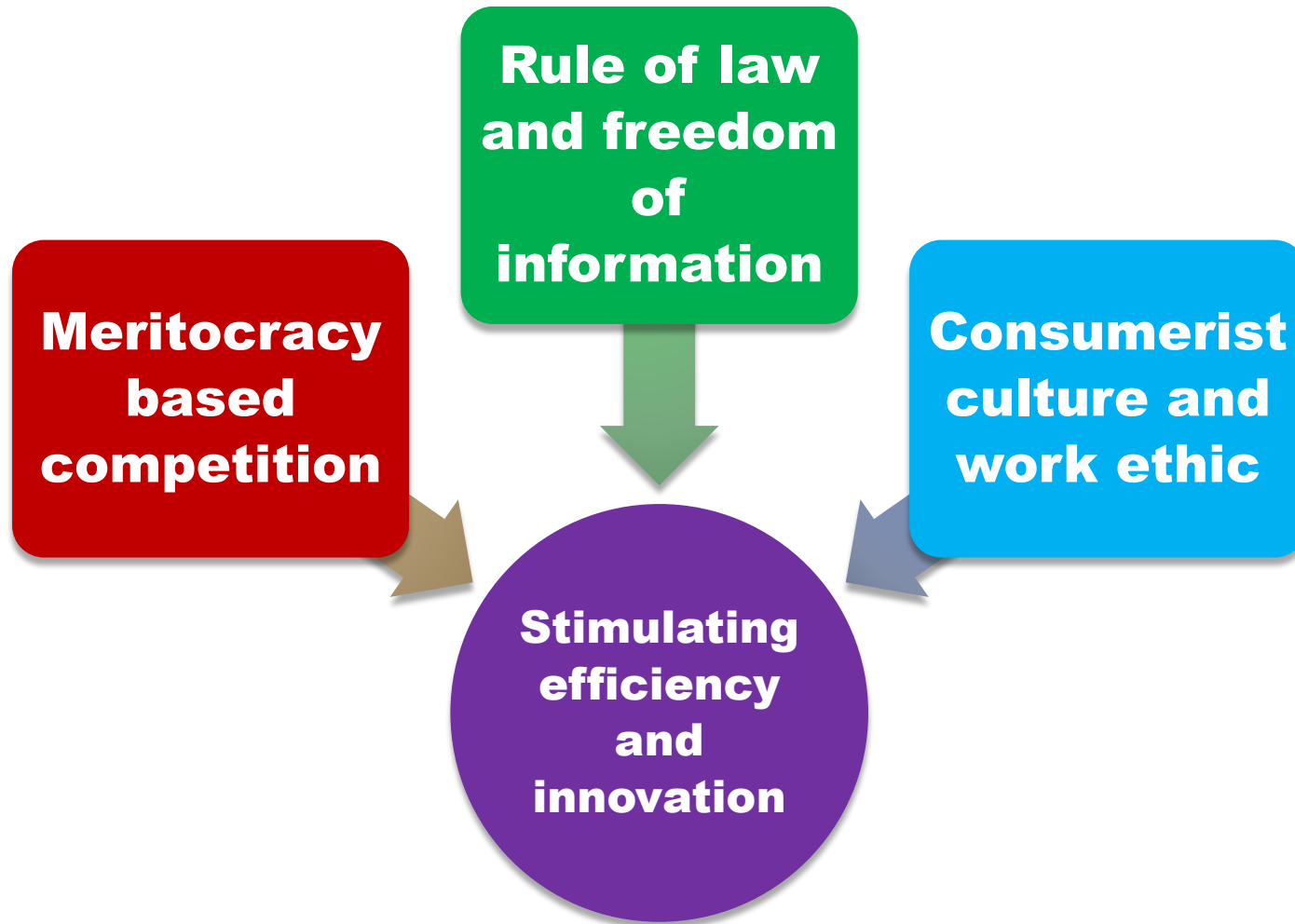
Need for economic reforms

Governments who perceive the need to open to market economy due to arrest of GDP growth since 1970':

East Germany, Czechoslovakia, Poland and Hungary;

Governments still enjoying a period of industrial take-off do not perceive the crisis until end of 1980':

Bulgaria, Romania, Albania.



Reformist tendencies in 1980s vs socialist values

Actual openings to market

Experiments regarding (mainly) the liberalization of corporate profits and openings to private economy:

- Hungary: continued throughout 1970' and 1980', leading to the birth of a class of small entrepreneurs;**
 - Yugoslavia: hit by major debt crisis during 1980' despite being opened to market economy since 1965;**
 - Poland: successive waves of political and economic crises (Solidarnosc) disrupt the reforms.**
-

Loss of legitimacy and political reforms

Ideological discredit of communists due to their monopoly of power and thus of responsibilities for non delivering the promised “better future”. The reaction of the governments in 1980s varies:

1) Governments more open to re-marketization are also tolerant towards political dissent:

Poland, Hungary and Yugoslavia;

2) Governments investing in political repression:

East Germany, Czechoslovakia;

3) Governments without major opposition from civil society:

Bulgaria, Romania, Albania.

Gorbachev effect

As a convinced communist and defender of the dogma of “the leading role of the communist party”, since 1987 promotes uncompromising reforms in order to regain legitimacy for the party by:

- 1) *glasnost* (transparency): promoting popular participation and free press, experimenting with secret and multi-candidate electoral competition for a minor number of state and party assemblies (thus filling the gap between state and society);**
 - 2) *perestrojka* (reconstruction): incrementing living standard by opening the economic system to the market competition.**
-

- **December 1986: Gorbachev declares the right of each country to find its own “way” to socialism;**
- **June 1988: affirms that soviet control over CEE is violating the principle of communist internationalism, thus USSR will not intervene any more to protect CEE regimes;**
- **1989/90: declares gradual retreat of the Red Army from CEE.**
- **October 1989: goes to East Berlin to persuade the local leaders to “be willing to cooperate with all groups of society” because “life punishes those who come too late”.**

Gorbachev’ Impact on CEE

Domino effect

Negotiated transition to pluralist democracy by successive concessions

Poland, Hungary, Bulgaria, Albania

Government breakdown due to peaceful mass demonstration

German Democratic Republic, Czechoslovakia

Government breakdown due to armed insurgency

Romania

State breakdown due to armed insurgency

Yugoslavia

1) Poland

Weakest government of the bloc and the only one fighting organized opposition groups:

- Solidarnosc trade union;**
- Catholic church (lead by a polish pope - Wojtila)**

Major political crisis (martial law imposed in 1981 by general Jaruzelski) and economic collapse.

Growing number of strikes due to lowering of real wages (-20% since 1980), decrease of GDP (-13% since 1978), growing foreign debt (39 billion \$).

Workers' increasing demands turning from economical (major wages compensating inflation) to political (legalizing Solidarnosc, freedom for political prisoners).

First free elections

Round table talks between Jaruzelski government and Solidarnosc Citizen Committees: free elections for 35% of parliament seats and the whole of the Senate.

Complete electoral victory on June 1989 – all free seats for opposition candidates, leading to the first coalition government with a majority of Solidarnosc ministers (but with a low voters turnout – 62% in first and 26% in second ballot).

2) Hungary

Compromising policy favored during 1960' by post 1956 repression communist leader János Kádár, in order to consolidate the regime.

Since 1985 cooperation between small oppositional groups (pacifism, ecology) and the communist party reformist wing leads to multi-candidates elections (communists vs. independents);

Birth of a new class of entrepreneurs due to:

- major liberalizations for private farmers and small enterprise since 1980,**
 - continuous eliminations of limits imposed to free market,**
 - tolerance toward black market economy**
-

End of one-party government

- 1987: defecting communists and opposition groups form the Hungarian Democratic Forum – an “umbrella” organization with Christian Democratic and nationalistic tendencies.**
 - 1988: in February reform wing communists take control of the party; in September they arrange with the HDF free elections and in October the party dissolves and turns into a Social Democratic Party.**
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3) East Germany



Citizens have access to information from west-German television showing: much better living standard in the West; and Gorbachev reforms in Soviet Union, hidden to east-German citizens by the Erich Honecker government.

Areas with no reception (black) were jokingly referred to as "Valley of the Clueless".

GDR ecological disaster

- **Due to use of brown coal, GDR had the highest emissions of sulphur dioxide and the highest dust exposure of all European states, causing air pollution mortality (from bronchitis, emphysema and asthma) more than twice the European average.**
 - **Only 1% of all lakes and 3% of rivers were considered in 1989 as intact. 52% of all forest areas were considered damaged.**
 - **More than 40% of the waste was not disposed of properly. For hazardous waste, there were no high-temperature incinerators.**
-

On the grounds that the environmental data were used by the class enemy to discredit Socialism, since 1970 the pollution data were classified as "Confidential" and from the early 1980s as "Secret" and thus withheld from the public.

Criticism of the environmental policy was suppressed by secret police.

In the late 80s there were about 60 environmental groups merging in autumn 1989 in the Green party.

Ecology as political question



Built on 13th August 1961 to prevent the massive emigration from East to West Berlin (until then movement between West and East Berlin was relatively free).

Since the end of WWII 3,5 million persons moved from East to West Germany (mostly young and skilled workers) while only half million moved from West to East, causing unbearable loss of human capital for GDR economy.

Around 5,000 people successfully defected to West Berlin.

136 to 245 people were killed in attempts to cross the border.

<https://youtu.be/OOF9EtFxr8o>

Berlin wall

founded in September 1989 as an umbrella organization of ecological and religious (protestant Church) movements, to promote round table talks, but Erich Honeckers' government refuses compromises and threatens with “Chinese option”;

Since October New Forum organizes mass protests in major cities.



New Forum

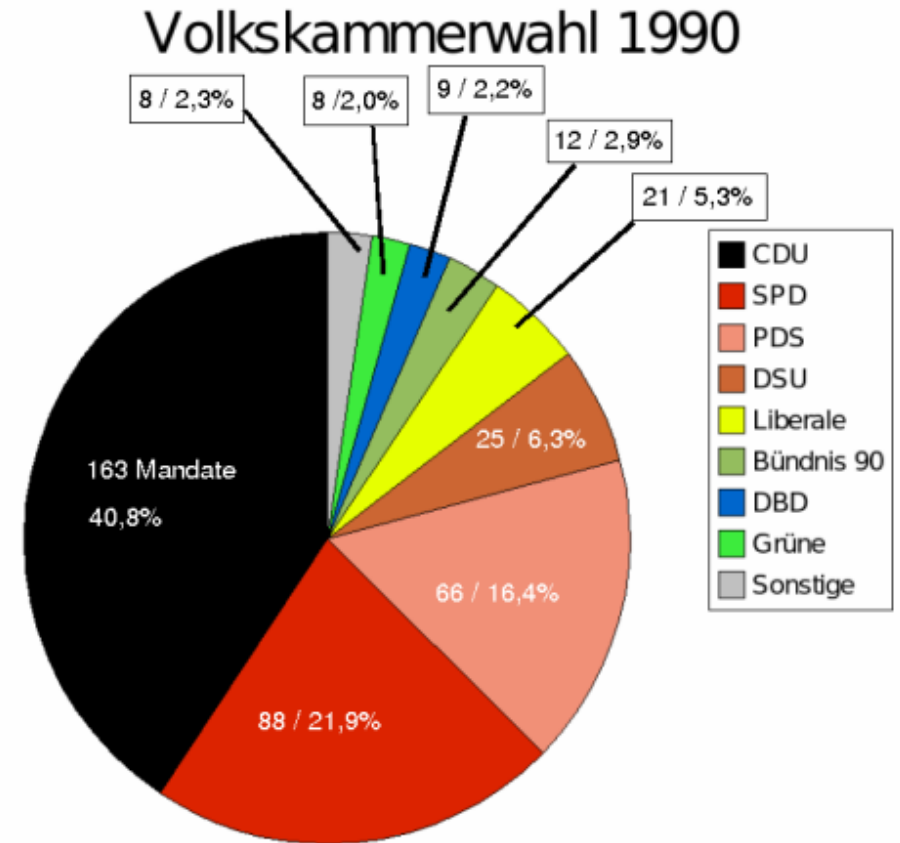
7 PM: Gunter Schabowski, just appointed as the SED Central Committee new spokesman, announces at live TV press conference that "Private trips abroad" are allowed... from this moment".

9.30 PM: Thousands gather by the checkpoints, demanding passage. Due to confusion in official line, the border guards let them pass.



November 9th, 1989

- **March 18 1990: first and last free Parliamentary elections in GDR:**
- **Winners: CDU and DSU** representing an opportunity to reach quickly west German living standard gain **47%;**
- **PDS** representing the former regime's social security gain **16%**
- **Bündnis 90** representing 1989' protesters gain **2%**



The defeat of the heroes of 1989 revolution

4) Czechoslovakia

- **December 1987, substitution of the old hard-wing communist leadership (in power since 1968 repression) by the young reformers;**
 - **August 1988, mass protest in Prague to commemorate 1968' Prague spring.**
 - **November 17 1989, several protests repressed brutally by police. Dissident playwright Vaclav Havel gives birth to Civic Forum, as response to police repression. National Assembly abolishes art. 4 of the constitution about “the guiding role of the communist party”;**
 - **December 1989, new coalition government: 8 communist and 12 civic forum ministers.**
-

- **December 29 1989, National Assembly elects unanimously former dissident Vaclav Havel as the new President of the Republic.**
- **Alexander Dubcek (reformer communist leader of 1968' Prague spring) is elected as chairman of the Assembly.**



“Velvet Revolution”

5) Bulgaria

1989, various mass protests:

- **Turkish ethnic minority,**
- **ecological group *Ekoglasnost* and independent trade union**
- **religious groups (Christian Orthodox Church).**

November 10, 1989 – reformist communist leader Petar Mladenov takes power by a “Palace Revolution”.

- **January 1990, Mladenov transforms communist into socialist party and promises multi-party democracy and “market economy and social care”.**
 - **November 1990, trade union pressure imposes a coalition government.**
 - **October 1991, free elections and former communists definitive retreat from power.**
-

6) Romania

- During 1980' Nicolae Ceausescu Stalinist-type government turns to “sultanistic” degenerations.
 - Indifferent to *Perestrojka* due to overall secret police repression (*Securitate*) and to a foreign policy independent from Gorabachevs' Soviet Union.
 - December 17, 1989 *Securitate* units intervene against Hungarian ethnic minority protesters, killing 17 people.
 - December 21, 1989 an organized state celebration in Bucharest is interrupted by protests, following armed combats between *Securitate* on one side and citizens and defecting army troops on other side.
-

- **Leader of the National Salvation Front (on power since December 22 1989) is Ion Iliescu, a former Ceausescu's collaborator removed from power;**
- **December 25 1989, Ceausescu and his wife are shot after a brief show trial;**
- **NSF serves to keep in power the old communist elite, now using nationalistic demagoguery.**



Pseudo-revolution?

7) Albania

- **international isolation secures the government against the wave of *Perestrojka* until**
 - **December 1990 – mass protests due to profound poverty forces Ramiz Alija government to legalize the opposition parties.**
 - **March 1992 – electoral victory of the Democratic party and first change of government.**
-

Former Yugoslavia



8) Yugoslavia

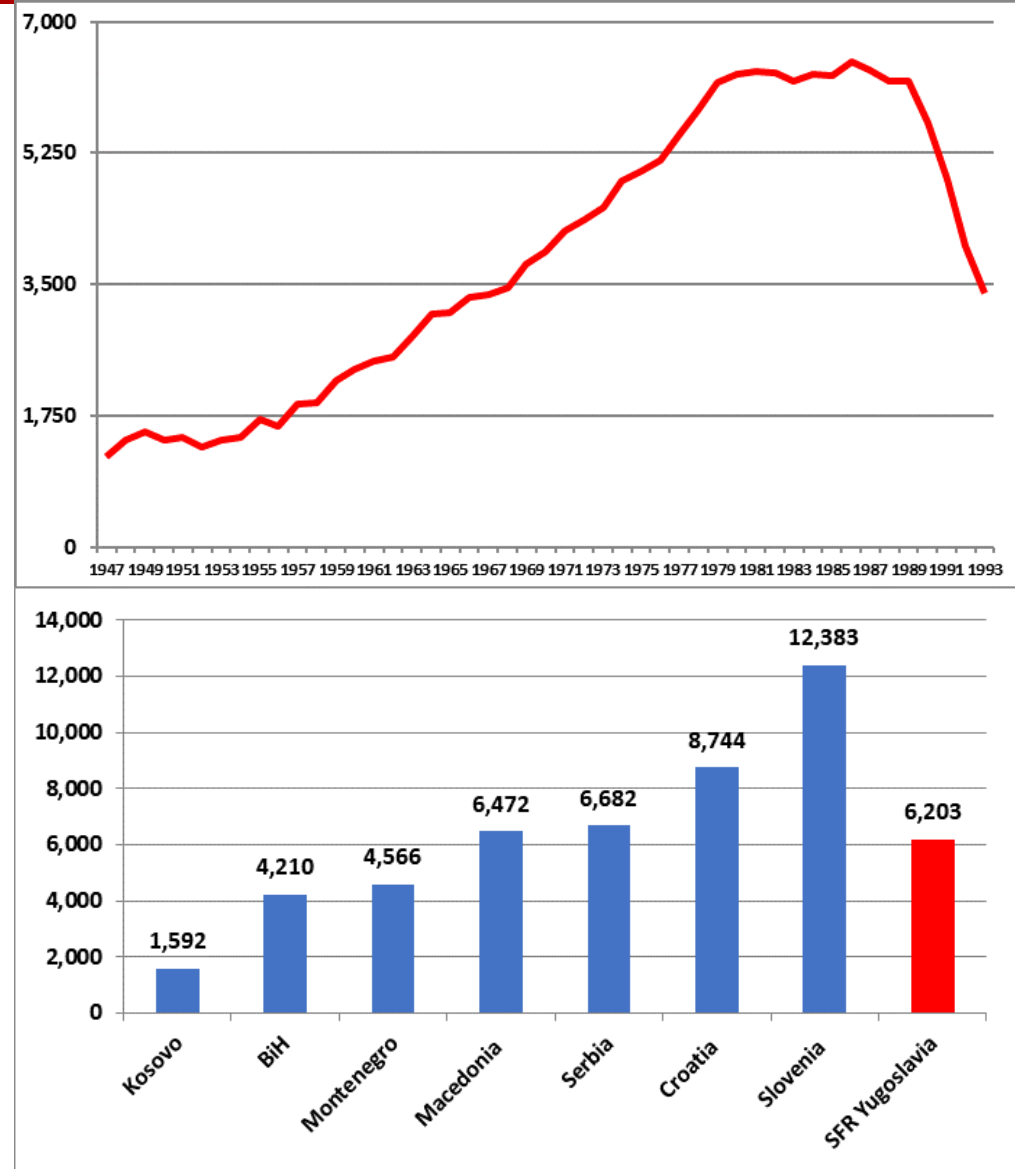
From 1960 to 1980, annual gross domestic product (GDP) growth averaged 6.1%, medical care was free, literacy was 91%.

“Market Socialism”: since 1958 market mechanism was introduced on the products market, while the labour and capital market were rejected as incompatible with a socialist economy (allocating investment resources remained directed by local governments).

The oil crisis and Western trade barriers forces Yugoslavia to take International Monetary Fund (IMF) loans, amounting by 1981 to 20 billion \$. As a condition the IMF demanded market liberalization and austerity measures.

General "unproductiveness of the South" and a decade of IMF imposed austerity result in growing frustration in rich Slovenia and Croatia public opinion against:

- the "ruling class", seen as "Serbian";
- poor southern republics seen as "economic black holes".



Federal crisis

End of one-party system

- **Constant reforms fail to resolve federal problems while they undermine institutional stability: 1974 constitution turned the state de facto in a loose confederacy and established a system of highly ineffective 1-year-long presidencies, by rotating the eight leaders of the federal units, resulting in a power vacuum for most of the 1980s.**
- **On its 14th Congress in January 1990, the Yugoslav League of Communists dissolves due to Slovenia and Croatia communist leaderships refusal to accept the hegemonic attempt of the Serbian communists.**

This, along with external pressure, forces the individual republics to organize first multi-party elections in 1990.



- **Zygmunt Bauman, *A post-modern Revolution*, 1993:**
 - **political revolutions adjust a regime to its social forces that cannot find an institutionalized channel;**
 - **systemic revolutions have not only to dismantle the political regime, but also to build new social forces.**
 - **No old CEE regime generated social forces capable to guide new institutions (Hungarian small entrepreneurs and Polish Solidarnosc being no real forces).**
 - **Consequently, those who brought the old regime down, are not the one who will build the new regime (they represent only the dissatisfaction with the old one).**

Systemic or political revolution?

- **The weakness of the civil society is due to:**
 - **“cognitive confusion”,**
 - **self-doubt,**
 - **apathy about collective aspirations,**
 - **escape from politics (mistrust to any formal political project and to political elites).**
- **Due to an absence of a clear program for the new forces, old flaws are not overcome:**
 - **low attention to the rule of law,**
 - **skepticism toward innovations,**
 - **“semi-loyalty”: expression of formal loyalty as counterpart for political patronage,**
 - **hostilities between ethnic groups.**

CEE civil society

- In search for new economic and political institutions, the past provides a sense of direction:
- recent socialist past or distant pre-socialist past represent different “golden ages” with opposite sets of values.

Golden age?



- **3 divergent patterns deriving from different sets of values:**
 - 1) “modern” West – individualistic values, pluralistic view to society;**
 - 2) distant local past – traditional communitarian values, authoritarian leadership;**
 - 3) recent local past – (un)reformed socialist values.**

Search for patterns

- **Priority to individualistic values – strong constitutional guarantees to rights and liberties of the person;**
- **The state as “judge” entitled only to administer the adjudicative justice;**
- **State’s social policies are limited by individual “freedom of enterprise”.**

Representative democracy and market economy to be implemented in CEE with the help of the West (European Union, NATO) in order to “be a normal country” and “return to Europe”.

Re-invention of pre-socialist liberal traditions and a critical narrative of 1989 revolution as ultimate victory of the civil society dissenters over state and politics.

1) Western model

- **Western model “pluralism” against the past authoritarian monism – competition in economical, as in political sphere, seen as the only rational way to reach “prosperity”:**
- **Rising income inequality is represented as socially acceptable because it fosters economic efficiency and leads to an overall increase of wealth (“A rising tide lifts all boats”).**

Rational efficiency

- **National culture and history prior to communist takeover are the only legitimate source of institutional models to be reactivated (or better, reinvented) to:**
- **reinforce traditional values based on a hierarchic power structure: patriarchal family, religion, ethnic exclusiveness,**
- **Paternalistic state welfare should promote traditional families and pro-natalist policies to strengthen the national community.**

Opposition to:

- **recent past communist regime and Western modernity, both seen as contrary to traditional social values and a “foreign domination” or cosmopolitan contamination of the national culture.**

2) Distant local past

Reformed communists

- **Trying to merge major efficiency of economic marketization and social justice achieved by state socialism.**
- **Ideal reference to local history of reforms (Prague spring, “socialism with human face”).**

Unreformed communists

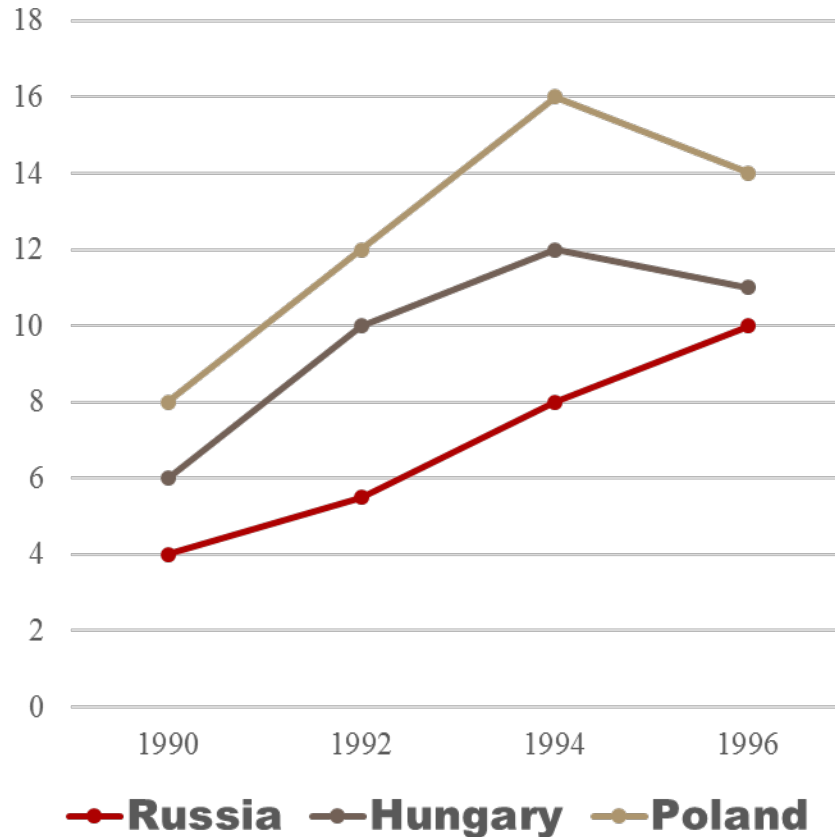
- **Attempting to regain legitimacy by connecting state socialist control of economy with nationalistic ideology in the name of “protection from international capitalism” (privatization).**

3) Recent local past

- **Expectation toward the new regime imply that it should govern at least as well as the socialist government in its last phase, in terms of GDP, income distribution and employment.**
- **Blames toward old regime generally focus on “mistakes”, “deformations”, personal responsibilities of single leaders, but not its key principles.**
- **In a 1995 survey, 50% of former GDR citizens judged the unification positively, 41% noticed no substantial change, 9% declared important social and economic losses.**

Judging Socialism

Rise of unemployment



Rise in relative poverty (<60%)	1992	1995
Czech Republic	6,5	10,5
Hungary	14,3	15
Poland	13,7	17,7
Russia	25,9	25,7

The price of transition

3 types of cleavages:

- **socio-economic**: about the distribution of income and the control over means of production (as employees vs employers);
- **political-ideological**: those who were loyal to the socialist regime vs its opponents or victims (as communists vs anticommunists);
- **cultural**: based upon ethnic, linguistic or religious identity

Cleavages within society

- **Considered as more easily processed by liberal democratic institutions, since a quantitative compromise can be obtained through bargaining.**
- **It concerns interests, not principles, thus parties agree more easily to meet halfway, and realize that they depend upon each other within mutually recognized rules.**
- **Socio-economic cleavages have still an “amorphous” nature in CEE due: to**
- **Weak collective actors (as trade unions, interest associations etc.)**
- **Weak free forums (mass media debates, parliamentary discussions).**

Socio-economic cleavage

- **until post 1989' reforms, the living conditions for the population were fairly uniform (except for the nomenklatura).**
- **Since 1989: large parts of population must first learn**

“Who are our friends, sharing similar interests?”

“How can economic claims find political support?”

(First institutionalized economical cleavage: the agrarian parties).

Revival of the economic debate

- **Less easily settled because parties do not see themselves as depending on each other .**
- **instead, they consider it better if the opponents were non existent and accept at most to suspend the conflict between ideologies**

(that is, values affecting several spheres of the public life of the community).

Political-ideological cleavage

- **identity based parties are even less suitable for compromises or suspension of conflicts,**
- **because parties consider each other as mutually threatening – in extreme case, they can only live if the other is expelled from a territory.**
- **A compromise is possible if an “identity” conflict is treated as a “dressed up” interest conflict.**

Cultural cleavage

Cultural conflicts:

- **perceived as “eternal”, reaching from an imagined past to a indefinite future;**
- **contain prescriptions for the totality of the social and personal life - “our way of life” - economic, political, esthetic, religious etc.**
- **usually are burdened with the memory of past hostilities and humiliations (that are expected to repeat in the future unless the other part is eliminated)**

Historical heritage

- **the most easily accommodated type of conflict (socio-economic interest) is the least pronounced and least structured;**
- **the least easily accommodated type (cultural identity) is the most dominating,**
- **rendering more difficult to agree on common rules in public life and to protect the independence of private life.**

Menace to pluralism

3 patterns tend to shape 3 types of political parties:

- **Liberal,**
- **national-conservative,**
- **social-democratic party,**

capable of merging into 3 types of coalitions:

- 1) social-democratic/liberal (1990s in Hungary);**
- 2) socialist/national-conservative (1990s in Slovakia, Serbia);**
- 3) liberal/national-conservative (2000s in Czech republic, Hungary, Poland)**

Political options

An entirely open electoral market raises party instability because of:

- **no pre-existing party infrastructure**
- **no pre-existing electoral identities and preferences**

Parties did not cause the transition, but were created as its by-products, without any

- **coherent program,**
- **strong organizational basis,**
- **clear connection to a particular social group (only nationalistic parties can count on strong partisan loyalties).**

Party systems

- **Dissenters to the communist one-party governments developed during the old regime an anti-party approach – “anti-politics”.**

The prejudice against strong state institutions make new parties:

- **Less dependent on programs, issues and connections with distinctive social groups,**
- **More on political culture, style, imagery or leading personalities (even on personal antagonisms between single members of the new political elite).**

Anti-party tradition

- **New parties have only “theoretical interest” on workers/owners conflicts, thus,**
- **no stable channels through which economical conflicts could find a politically negotiated solution.**
- **Correspondingly, voters' preferences do not depend on their social/class status, but mainly on cultural factors.**
- **Party leaders are not interested in building a social base as much as in achieving governmental positions, causing extremely weak party influence within society.**

Parties/classes

- **As legislators, socially weak parties prefer laws on party financing based on state funds. Thus, they tend to:**
- **be less cooperative with other civic associations (trade unions, NGO's ...);**
- **disregard local level partisanship (extremely low number of party members);**
- **concentrate their propaganda on national mass-media.**

Parties/civic associations

- **1) Parliamentary government**
(Czech Republic, Hungary, Slovenia)

- **2) Presidential government**

elected directly by the people, it appoints the key members of the administration, controls public expenditure, makes laws by decree (Serbia, Romania in 1990s, Russia, Belarus...) due to:

- **the need of fast and strong decision making under conditions of deep political and socio-economic changes;**
- **fragmented and volatile party systems;**
- **popularly elected presidents seem able to provide a sense of national unity**

Executive governments

- **Mixed presidential-parliamentary system as a compromise between democracy and efficiency**

(Poland, Croatia in 1990s, Ukraine)

- **Positive aspects: competition between presidential advisers and cabinet ministers.**
- **Negative aspects: possibility of intra-executive conflicts over administrative control.**

Mixed government

Example Hungary:

- **1998: due to 1994 disappointing electoral results, the party of young liberals Fidesz turns into a conservative populist party headed by a 1989 hero Victor Orban.**
- **In 2010 elections Fidesz won 52.7% of the votes and a two thirds majority (supermajority) of parliamentary seats, enough to change the constitution in 2012.**
- **The new constitution limits the independence of the judiciary and removes the right of citizens to turn to the Constitutional Court with individual appeals.**

New authoritarianism

1) liberalization of market entry to internal and foreign trade

2) price and wages decontrol

3) creating a capital market

4) privatization

Highly distorted sectorial structures demand reallocation of capital and labor from the secondary sector (industry) to the service sector

Paradox: de-statization can only be accomplished by strong state intervention, in order to end all state intervention...

But, if the state retreats too early (Radical proposal), it can endanger the proper development of new institutions.

If the state do not retreat immediately (Gradualist), the reforms risk losing credibility.

Building capitalism

- **Communist governments promoted the formation of large enterprises in order to rationalize the planning of:**

- **capital allocation,**
- **raw material supply and**
- **distribution of products**

(in Czechoslovakia the average number of workers in each firm was 3000, against 300 in the West).

- **Small number of big enterprises make single failures more dangerous – “too big to fail”?**

“industrial giants”

Transforming socialist model of central planning allocation of capitals into Capitalist model requests 2 steps:

- **1) liberalizing banking activities and entering into stock markets;**
- **2) privatizing commercial banks**

But, under planned economy, credits were allocated to enterprises without regard to their capacity to pay back.

- **Once the banks started to operate on market, they had high percentage of unrecoverable claims in their portfolios,**
- **thus making vulnerable both enterprises and banks and creating difficulties by privatization.**

“bad debt”

- **due to price controls and endemic shortage of capitals in communist years, the liberalization of prices conducted to the rise of hidden or repressed inflation (the consequences on population were much stronger and longer than expected by IMF economists)**
- **servicing high foreign debts rendered more difficult the adoption of anti-inflationary measures.**

Inflation and foreign debt

Price decontrol and cutting state expenditures were essential elements of stabilization programs imposed by IMF and accepted by governments in order to:

- eliminate inefficient enterprises covered by distorted low prices;**
- eliminate black market caused by shortages of every-day products;**
- get rid of the government's responsibility for citizens' living standard.**

Liberalization of prices

One of most non-transparent processes:

- **Hastily written new laws, frequent changes and unstable political situation favor political manipulation with law and a sense of impunity.**
- **more than half of all enterprises targeted as “privatized” are in fact re-combinations of state properties;**
- **complex cross-ownership (private enterprises owned by state-controlled banks);**
- **governmental investors credits often implied occult preferential treatments;**
- **non-economical “asset stripping”.**

Privatization

- **Private sector had to be built upon foreign investments;**
- **Actually, it has been built mostly upon “asset stripping”:**

Assets transferred from the state sector by illegal means or at artificially low prices by former public managers using their “social capital”

(long term ties with creditors and suppliers)

to transfer the assets to their name, and then put the dilapidated firm into liquidation with employees losing their jobs.

Plundering the public sector

- **pervasive tax evasion: the old “second economy” (communist era black market traders) have not transformed into regular business but remained in “shadow” (20-30% of GDP in 1990s);**
- **trader “tourism”: spot transactions, grab-and-run, short term investment and engagements;**
- **illegal markets: organized crime.**

“uncivil economy”

Core states centralise their business production and technology on their territory and increase their capital through FDI (foreign direct investment) in CEE due to:

- **Skilled but low paid labour,**
- **Benefits on income tax for foreign investors.**

The revenues generated by FDI's in CEE are easily canalised back to the Core, while low taxes reduce the capital budget of CEE countries and thus their power to promote domestic infrastructures, R&D and human capital (brain drain).

**CEE as “semi-periphery”
within the world system**
