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"Central European experience of democratisation"

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In the aftermath of 1989, the world experienced tremendous change. Even though the Iron Curtain had been removed, a steep cliff still divided East and West.

The spectres of the past lingered on in the early 90s. Among them: worries about the secret police not giving up power peacefully, concerns about the way in which Soviet troops would depart, the question of how to build democracy on the ruins of communism.

Transition was certainly difficult, as the area faced a dual challenge: making the simultaneous leap to democracy and market economy. The neo-liberal free-market ideology was imposed from above onto societies which still had inadequately developed institutions. Citizens of the CEE had to realize that in spirit of their motivation to return to western values of democracy, civil society and citizenship, the road ahead would be bumpy.

Creating a functioning democratic, market-based society also clearly came with serious short-term costs. Bulgaria's GDP had declined by almost 30% in the first half of 1991 and consumer prices increased by over 500%. Poles saw their real wages drop by over 30% in the first three quarters of 1991 and unemployment peak to 11.1%. Popular dissatisfaction with the economy risked undermining the government's achievements in establishing the rule of law. It was unclear whether the public's theoretical support for economic reform would be matched by its readiness to put up with economic hardships.

Today, as we look back at what has been achieved, we can only stand back and wonder. Young people in their twenties are the first generation to have lived in free and law-governed societies, old communist states have been embraced by the European project, while others are slowly paving their way towards accession. The economy of Central and Eastern Europe has also come a long way. While in 1989, only people above 60 still had memories of how the market economy functioned, the principles of the free market slowly gained ground once again. The principles of competition, investment and private property slowly became the bread and butter of everyday life. The East's economic revival unleashed millions of entrepreneurs, attracted foreign investment, built ties with the EU, which slowly provided an impetus and, later on, also the needed funding for reforms.

With all the good that came after 1989, we must admit that communism has also left us with a mixed legacy. The post-1989 era continues to be marked by complexities, contradictions and paradoxes. While capitalism was broadly embraced, since

then, its ideological foundation has been shaken and challenged by the crisis episode, which has in turn given rise to new forms of opposition to the western order. They include, political Islam, Latina American populism and renewed forms of authoritarian rule in China.

1989 was a big year not only for Central and Eastern Europe but for world politics more generally. It led to the field of comparative politics being dominated by democratisation studies. For some scholars, the experience of Central Europe simply served to enrich the existing knowledge one already had about social and economic change experienced in Latin America and Southern Europe. For others, new analytical categories were needed to understand what had happened in 1989. Either way, the CEE experience has provided scholars with a rich source of analysis into democratisation.

Transitions to democracy are defined in political science as volatile processes which are completed once an agreement on democratic rules has been successfully reached (this typically includes the adoption of a new constitution and the holding of the first free elections). Once this has occurred, a stage of consolidation follows, one during which core rules of democratic competition are defined and fixed. During this phase, the set of democratic rules and institutions agreed in the transition phase, are transformed into regular and acceptable patterns. At what point can we say that we are dealing with a consolidated democracy? Some argue that this occurs at the point at which political actors comply with the minimal procedural requirements of democracy.

But consolidation does not stop in the political arena. As democracies mature, we need to put in place also the subjection of non-governmental forces to the resolution of conflict within specific laws, procedures and institutions, as sanctioned by the new democratic process.

At the heart of democratisation in the East was certainly nation-building. In the initial days after the fall of communism, countries focused on so-called "state-building", namely on the creation and maintenance of the state as a political unit. As state-building reaches a more advanced stage, citizens must begin to identify with the state. At this point "nation-building" commences. A sense of national identity, of national consciousness thus emerges. The political unit slowly acquires a social dimension.

Post-soviet states certainly offer interest thought experiments in this context. We can see in these cases how the power struggle in Moscow, which led to a weakening of the Soviet/Russian centre, led to an inter-twining of state-building and nation-building in the former communist countries.

The type of regime in place before the fall of communism (the communist legacy) directly influences the problems of transition and democratic consolidation. The transition from communism to free market democracies can take many routes, as the experience of the past 25 years has shown us. Political developments over the past years have shown us that endpoints can also vary, including authoritarian regimes in

Belarus and Central Asia and relatively well-functioning democracies in the CEE area.

How do we define legacies? They are understood as structural, cultural and institutional starting points of ex-communist countries when transition began.

One can identify a number of useful legacy dimensions, including:

- Geography: proximity to Western Europe which helps conduct an easier diffusion of Western values and facilitates European integration
- Economic legacies: variables such as energy intensity of communist economies can shed light on Soviet-style structural economic distortions. Also exports to the West matters
- Levels of socioeconomic development (social conditions/modernization): GDP/capita, urbanization, education levels
- Institutional legacy: variables driving this are years under communism and pre-way membership in the Soviet union.

While the issue of legacy does not imply that agency and institutional choices are not important, understanding legacy nonetheless helps policymakers target the more problematic issues and arrive more easily at the right solutions.

The CEE has come a long way and its nations have certainly made a significant leap towards one day becoming mature democracies. Of course, we are not there yet. While some of the old divisions between East and West have faded along with economic progress, the CEE still retains a weak economic and political role in the EU in terms of the level of influence. Economically, the GDP of Poland, the Czech Republic, Hungary, Romania and Bulgaria combined constitutes only 6.3% of EU GDP. Politically, the CEE area is still side-lined in major debates. It takes time to reach critical mass, at which point one can really have a say.

Moreover, the big CEE economies remain outside the eurozone. They can be taken on board current reforms just as "opt-ins." Such a participation however makes them second class countries in the reform effort.

The CEE area also still suffers from perception issues, which inevitably impact its ability to position itself as desired in the EU. One important consideration here is the corruption stereotype associated with some of the CEE economies, while the phenomena itself is also affecting the West. There are facts of life and then there are perceptions at the EU level.

The CEE was also not immune to the crisis. The crisis episode revealed how the area is actually very heterogeneous. Different economies suffered different effects, Poland survived the crisis without a recession, Latvia lost one fifth of its GDP at the peak of the crisis and required financial assistance from the EU.

A modest recovery is slowly setting in. While Poland is leading the growth bandwagon in Central Europe, growth further East, in particular in Hungary and Romania, is still lagging behind. At the same time, the CEE remains deeply

interconnected to the eurozone and is thus susceptible to spillover effects from the single currency area.

Finally, the CEE economies are still catching-up. Unfortunately, they tend to be simply followers and do not really use their potential. Instead, they prefer to follow the path already taken by other member states, which have been in the Union longer. As they do this, they end up defending their rights to traditional growth models and are not sensitive to new opportunities. This is a pity.

What the CEE really needs to do is capitalize on its privileged dual status, as a catching-up economy which is at the same time an EU member state. The catching-up element gives CEE economies dynamism and a competitive advantage in terms of growth, while the EU membership comes with added opportunities. These member states now need to fully leverage this potential in a smart way.

Before I conclude, allow me to say a few words on whether the CEE experience can shed light on other revolutions.

25 years on from the lifting of the Iron Curtain, it might still be too early to generalize. Having said that, the 1989 episode is certainly worth comparing and contrasting with more recent and current events, such as the Arab spring or the crisis in the Ukraine.

The Arab Spring episode clearly evokes memories of 1989: spontaneous popular movements as opposed to planned insurrections of an organized political opposition and lack of determined revolutionary action by a tight-knit political vanguard. Looking at the events in North Africa, we also saw how people stood united by mutual disgust against the political regime and rapid and overwhelming events were set in motion by random events. In Tunisia, it was the December 2010 self-immolation of a street vendor who had long been harassed and humiliated by the authorities. In November 1989 in Prague, it was constituted by the false rumours about the death of a student protester. Movements also spread quickly, with a common cause uniting neighbouring countries. In Central and Eastern Europe, it was communism, in North Africa it was the anti-colonial rhetoric of Arab leaders.

Having said that, stark differences are also evident between the two episodes and one can certainly question the extent to which 1989 can shed insight into the Arab spring. The sequence of events in the East was extremely rapid, and saw the overthrow of communism followed by the determination to pursue democracy and free market capitalism. In North Africa, revolutionaries did not have a single centre of uniform power, around whose collapse they could pursue uniform change. The Middle East also faced a lower degree of consensus over what had to change, relative to the same spirit in Eastern Europe 25 years ago. When the totalitarian regime of 1989 collapsed, it collapsed completely, and none of its component parts could effectively function on their own. The authoritarian regimes witnessed in the Middle East were certainly far reaching (including politics, security, social change), still, some areas were left outside its remit, such as economics (only limited interference, with entrepreneurs left to their own devices provided bribes were paid), limited censorship. The difficulty materialized in picking up the parts which were still functional and constructing the new regime onto them.

Turning to the Ukraine, while events in Kiev over recent months certainly bear some resemblance to the protests which swept the East 25 years ago, 2014 is not 1989. We are faced with an unequal struggle over Europe, one which is characterized by much weaker solidarity than that of 1989. The EU still lacks a strong and united voice when it comes to foreign policy and while it has proceeded to sanctioning Russia, it has been timid at best in its response (an approach which attracted strong criticism from the US). National interests still dominate the European reaction to the Ukraine crisis. Lacking a strong international impetus, the Ukrainians who are pro-West enjoy insufficient support.

Revolutionaries in the Ukraine also face a stronger enemy in a sense, than that faced by the 1989 generation. In the Ukrainian case, we are dealing with corrupt oligarchs, supported by Russian financing and political technology, which gives them substantial power. Internally, the Ukraine is still dealing with difficulty legacy problems. Constructing a nation and deconstructing communism are still unfinished business.

So yes, there are certainly elements of the 1989 story which can be extrapolated: the importance of legacy, the impetus that the international context can provide etc. While many similarities exist, striking differences are also present, making it rather difficult to successfully generalize from one instance to the other. This reminds us of Tolstoy's famous remark in *Anna Karenina*: "Happy families are all alike; every unhappy family is unhappy in its own way." While democracies share many commonalities, revolutions and transitions towards democratic regimes come in many colours, making it difficult to draw full-fledged lessons from one episode into another.