
Is There a Future for Liberalism in Eastern Europe?

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Summary

Taking as his starting point the methodological precepts of the American liberal political scientist Adam Przeworski about the importance of the action-theory analysis of the transformational dynamics of postauthoritarian societies, the author looks into the prospects of liberal reforms in Eastern Europe. The central thesis of the article is that the reforms' success depends on the balance of power between the liberal and the national-populist elites, who vie for public support. The outcome of that struggle will depend on the way in which the competing elites will act in response to five essential contextual factors: the need for economic and social security, the expectations of social justice, the dynamics of the integration with the West, the articulation of the national identity within a national state, and, possibly, the existence of ethnic minorities (i.e. the threat of inter-ethnic conflicts).

If we are to draw conclusions from the prevailing mood in mass media and in numerous social and scientific analyses and debates, then the period following the short outburst of enthusiasm of 1989/90 in Eastern Europe is a period of disappointment. The euphoria, which followed the peaceful disintegration of the communist regimes in Eastern Europe, and even the repeated predictions about "the end of history" and the onset of an epoch of an equable liberal-democratic posthistory, has given way to a sense of bitterness caused by the processes which have surfaced in Eastern Europe: the stirrings of nationalism and chauvinism which in their extreme forms may lead to a war; political conjunctures of populist and authoritarian movements and parties; profound and protracted economic recessions causing disastrous unemployment; the nonexistent or slowed-down privatization which has left the key economic areas under state control; market economy undermined by criminal practices and corruption. It seems that with such developments, the future of liberal institutions and values in Eastern Europe is not particularly bright.

I am positive that such a dismal image of Eastern Europe rests on a rough generalization and is therefore incorrect, primarily because it is a product of the pessimism triggered off by unfulfilled expectations and not a result of a sober analysis based on realities. In this paper my aim is to go beyond such simplistic generalizations — regardless of whether they are optimistically or pessimistically intoned. My aim is to look into the issue of the future of liberalism in Eastern Europe by offering a differentiated

analysis. Before I do that, let me explain what I understand by liberalism and which methodological presumptions serve as my starting point.

1.

When I think about future prospects of liberalism in Eastern Europe, then I have in mind only the fundamental economic and political institutions and values which are accepted as the fundamental infrastructure of social, economic and political system of developed Western societies. By this I understand, first, market economy based on satisfactory legal security of civil society, and second, liberal democracy. The first also includes, apart from the legal guarantees of individual freedoms and property, which are a prerequisite for autonomous market activity, complementary conflict-regulating mechanisms of interest organizations plus the indispensable administrative mechanisms of the state (from the national bank to foreign trade and tax policy). The latter also includes, apart from adequate constitutional, legal and factual guarantees of the freedom of expression and political activity, those mechanisms that ensure genuine political competition, the possibility of alternation in government, freely elected parliamentary legislature and decision-making based on the majority rule. I am convinced that the listed elements are that minimum of liberal institutions which should be, today and in the near future, implemented and established in Eastern Europe.

My methodological line of approach to the issue of future prospects of the described process is that of Adam Przeworski, a liberal American political scientist, set forth in his analysis of the transitional processes in Latin America and Eastern Europe.¹ Przeworski criticizes social scientific procedure which strives at assessing the chances of democratic transition and consolidation solely on the basis of the analysis of contextual and structural conditions. Such a procedure implies structural determinism which totally ignores the actual protagonists and their possibilities of choice and how they decide upon which path of action to pursue, and is therefore politically totally futile. Contrary to that, he advocates the analysis whose main subject are social and political protagonists — naturally, in the context of ever changing conditions.

¹ Przeworski, Adam, "The Games of Transition", in: Mainwaring, Scott, Guillermo O'Donnell and J. Samuel Valenzuela (ed.), *Democratic Consolidation: The New South American Democracies in Comparative Perspective*, University of Notre Dame Press, Notre Dame, 1992, pp. 105–152. That article further elaborates on Przeworski's argumentation, which was expostulated in the second chapter of his book *Democracy and the Market: Political and Economic Reforms in Eastern Europe and Latin America*, Cambridge University Press, Cambridge, 1991.

My point of departure, therefore, is Przeworski's action-theoretical model, which will be used when answering my specific queries. My research is two-leveled:

— first the constellations of the principal protagonists of the East European transition towards market economy and liberal democracy are to be analyzed in a very general, and thus hypothetic manner, as well as the most important contextual conditions which influence their democratic legitimation;

— then I shall attempt to apply these hypothetic constellations on the experiences of the transition of individual East European countries in order to be able to draw specific conclusions about the future of those transitional processes.

This will give rise to a plethora of scenarios for possible and probable (in line with Przeworski) "games of transition".

2.

Who are the principal protagonists of the political game on whose outcome the prospects of the consolidation of liberal institutions in Eastern Europe depend? It could be claimed very generally, in accordance with the theory of modernization: at the national level (which is here particularly interesting and the reason why the intermediary and the local levels have been left out) these are on the one hand political elites that, via parties, formulate competing programmes of political mobilization, and on the other, general political public, i.e. citizens-voters who, with their individual *votum* democratically provide legitimation for the programmes acceptable to the majority. In East European countries, however, the political elites are dichotomously polarized: liberal and national-populist elites are confronted. My hypothesis is that the introduction and the consolidation of liberal institutions in Eastern Europe depend on how much liberal political elites are capable of politically pushing back and marginalizing national populists. The sole protagonist that might interfere with this game are ethnic minority groups or their political organizations since they can affect the balance between the two elites.

The outcome of the vying for the support of the general public by the two elites depends on which contextual variables influence their scope of activity and how they react to these variables. Which variables are we talking about? In order to answer that question let me use several recent analyses by Claus Offe. Namely, he claims that the singularity of the transformational process in Eastern Europe lies in the fact that it has to make several decisive development steps at the same time, while Western

Europe had several centuries for the same process.² These are: the establishment of freedoms and rights and the market economy based on them, the realization of democratic participation and ensuring social rights within the state welfare system (in some cases we should add the fourth step, which usually precedes all these processes — the creation of the national state). Particularly burdensome in this simultaneity of transformations is that they are taking place after democratic participation rights have been implemented, which means that they have to get democratic legitimation. If, then, the transition to market economy fails to fulfill the expectations of the masses regarding economic security and social justice, that process can be stopped or even reversed. In other words, the transition towards liberal institutions in Eastern Europe must occur in the conditions of greater economic security and social justice than was the case in the history of Western Europe. Besides, because of democratic mechanisms, this process is reversible at any moment. Similar consequences are implied by another Offe's assertion, according to which the East European transformations are marked by a double framework of reference: towards "the West" and towards their own "history" (or its ideological image).³ The pressure coming from that double comparison implies relatively high criteria of expectations regarding economic security and social justice. These expectations are included in the political process and must be taken into consideration by the political protagonists if they want to ensure democratic legitimation.

Which contextual variables and the ensuing problems may be drawn from Offe's analyses?

The first is economic and social security, i.e. which costs of the transition towards market economy are deemed acceptable. The acceptability of the costs depends on several factors: on the government's ability to ensure for all citizens the subsistence minimum; on the time horizon relevant for the individual estimate of the costs⁴; and finally, it also depends on the relative estimate of individually acceptable costs of the transition — in relation to other members of the society as well as to the criteria imported from other countries which are regarded relevant.

² Compare Claus Offe, "Das Dilemma der Gleichzeitigkeit. Demokratisierung und Marktwirtschaft in Osteuropa", *Merkur*, XLV, 4, 1991, pp. 279–292; also the longer English version: "Capitalism by Democratic Design? Democratic Theory Facing the Triple Transition in East Central Europe", *Social Research*, LVIII, 4, 1991, pp. 865–892.

³ Offe, Claus, "The Politics of Social Policy in East European Transitions: Antecedents, Agents, and Agenda of Reform", *Social Research*, LX, 4, 1993, pp. 649–684.

⁴ For example, a drop in the standard of living is more or less acceptable within a four-year electoral cycle, but becomes incalculable if it exceeds this period.

The second variable refers to social justice. The differences in the standard of living and the uneven distribution of the costs of the transition can be accepted as temporarily necessary only if they can be plausibly interpreted as the price of general prosperity which is to be achieved in due time.

Let me infer the third variable from Offe's diagnosis of "the West" as a relevant referential model for East European societies. The West is not only a model for comparison but the objective as well. So the third variable is the plausibility of those political programmatic objectives that strive towards the integration of their societies with the West (for example, in the form of the membership in the European Union).

My opinion is that the three already mentioned social and economic variables should be joined by two more which are conditioned either by the belated completion of national and state integration or by the existence of ethnic minorities (or by both these factors) and may be very important in giving legitimacy to political elites in Eastern Europe.

So, the fourth variable would be the articulation of national identity in a national state.

And finally, the fifth variable includes the attitude towards ethnic minorities and potential or actual ethnic conflicts.

Let us investigate whether the suggested categories of political protagonists and constellations of political problems are applicable to the past experiences of transition in Eastern Europe.

3.

First of all, I think it can be proved that a dichotomous polarity of liberal and national-populist elites exists in most East European countries (the states of former Soviet Union have been left out since I am not particularly familiar with the situation there). In other words, this means that the central political friction in those countries is the one among parties or party blocs and coalitions whose leaders might be aligned with one of these poles (the polarization of the elites may occur within parties as well). Let us see what the situation looks like when it comes to individual countries.⁵

⁵ My analysis is based on a series of available comparative or monographic studies that analyze one or more East European countries: Berglund, Sten, Delenbrant, Jan Ake (ed.), *The New Democracies in Eastern Europe: Party systems and Political Cleavages*, Edward Elgar, Aldershot, 1991; Volten, Peter M.E. (ed.) *Bound to Change: Consolidating Democracy in East Central Europe*, Institute for East West Studies, New York and Prague, 1992; Szoboszlai, Gyorgy (ed.), *Flying Blind: Emerging Democracies in East-Central Europe*, Hungarian Political Science Association, Budapest, 1992; Tismeanu, Vladimir, Tudoran, Dorin, "The Bucarest

There are two types of liberal political elites: radical liberals (not numerous) and liberal social democrats. The examples of the first type are the Civil Democratic Party of Vaclav Klaus in the Czech Republic as well as the entire government coalition this party leads (the coalition has, with certain changes, been in power for four years) and the Democratic Union in Poland which, between 1990 and 1993, formed three governments under Mazowiecki, Balcerowicz and Suchocka. The other type of liberals is more often found. Its representatives are Slovenian Liberal-democratic Party of Janez Drnovšek, as well as the government coalitions it formed after 1992, then the reformed Polish communists in the Democratic Left Alliance who, together with the Peasants' Party, formed the government in 1993 which is still in power, and the latest Hungarian government coalition of reformed socialists and Free democrats, which was formed in 1994.

National-populist elites in Eastern Europe fall into two categories: that of conservative national-populists with a strong Catholic trait and that of the alliances of populist leftist parties (which often comprise much of the *ancien régime*) with extremist nationalists. The examples for the first type are the ruling Croatian party, the Croatian Democratic Union, the Hungarian government coalition 1990–1994 led by the Hungarian Democratic Forum, or the Polish Catholic bloc made up of the parties with least popular support. The examples for the second category are political coalitions such as Milošević's socialists and various radical nationalists in Serbia, the alliance of Iliescu's Democratic National Salvation Front and the Party of Romanian National Unity of Gheorghe Funar which has been ruling in Romania since 1992, and the cooperation between Mečiar's Movement for Democratic Slovakia and the Slovakian National Party. This classification does not imply that the respective national constellations can be equated, but it does imply that the fundamental political conflict in all those countries may be reduced to the polarization of liberal and national-populist elites.

Syndrome", *Journal of Democracy*, vol. 4, 1, 1993, 41–52; von Beyme, Klaus, *Systemwechsel in Osteuropa*, Suhrkamp, Frankfurt am Main, 1994; Agh, Atilla (ed.), *The Emergence of East Central European Parliaments: The First Steps*, Hungarian Centre of Democracy Studies, Budapest, 1994; Smolnar, Alexander, "The Dissolution of Solidarity", *Journal of Democracy*, vol. 5, 1, 1994; Wessels, Bernhard, Klingemann, Hans-Dieter, *Democratic Transformation and the Prerequisites of Democratic Opposition in East and Central Europe*, Wissenschaftszentrum Berlin für Sozialforschung, Berlin, 1994; Hatschikjan, Magarditsch, Weilemann, Peter R. (Hrsg.), *Parteilandschaften in Osteuropa*, Ferdinand Schöningh, Paderborn etc., 1994. It should be pointed out that the majority of the literature deals with Central European countries, i.e. Poland, the Czech Republic, Slovakia and Hungary, somewhat less with Romania, Bulgaria and the new Baltic states, while the territory of former Yugoslavia has been completely left out.

As I have already mentioned, in some East European countries there are other major political protagonists — ethnic minorities' parties — and they can influence the power balance among the antagonistic dominant elites. Such politically significant minority parties are, for example, Hungarian parties in Romania and Slovakia, Turkish party in Bulgaria and both Albanian parties in Macedonia.

I would like to show that the success or failure of liberal elites in Eastern Europe and consequently the overall success of liberal reforms has mostly depended on how those elites reacted to the mentioned problems. A successful solution to those problems has secured political advantage for liberal elites and ensured for them the necessary majority. However, if liberal elites have been incapable to offer answers to those problems or if they have simply ignored them, liberal reforms have been blocked and national-populist elites gained the upper hand.

1) Regarding the first issue, that of economic and social security, the Czech Republic and Slovakia are good examples of successful liberal strategies. In the Czech Republic, Klaus's government has complemented a successful antiinflational policy with socially prudent structural policies and corporatist strategies of social accord: unemployment has been kept at bay, even at the cost of slowing down structural reforms, while the policy of low salaries has been negotiated and agreed upon with trade unions. In Slovenia, Drnovšek's government has managed to avoid deep recession and a high rate of unemployment despite low inflation and relatively high salaries. In both countries these successes have been rewarded at the polls.

In Poland, however, radical liberal parties have been only partly successful. Their antiinflational policies and the policy of economic revival have had some success, but social costs in the form of unemployment and lowered income have been rather high. That is why at the September elections of 1993 people voted for social-democratic, toned-down continuation of liberalization.

The examples of the failure of liberal parties to mobilize the expectations of security among the population and, consequently, the rise of national populists, are Romania and Serbia: there, the *status quo* elites, relying on the successful nationalist mobilization of social fears, have all but foiled liberal economic reforms.

2) The problem of social justice has also been best solved by the liberal elites in the Czech Republic and Slovenia. In both states relatively democratic strategies of privatization have been implemented and the voters found these strategies socially fair. Also, the distribution of the costs of the transformation has mostly been considered evenhanded, thanks to the income and employment policies in the Czech Republic and the income policy in Slovenia.

In Poland, on the contrary, the relatively successful liberal economic policy hit the skids because of insufficient observance of social justice; this has provoked a strong resentment against those who have profited from the transitional process, although at the same time the circumstances have improved on the whole.

The negative example is the situation in Croatia: here the ruling national-populist elite has managed to supplant the issues of social justice with rallying national solidarity against the outside enemy. The liberal opposition has failed to cash in on some flagrant examples of social injustice in the course of the transitional process.

3) The issue of accommodation and (perhaps) future integration with Western Europe has been politically plausibly thematized only in the countries of the so called "Višegrad group" (Poland, the Czech Republic, Slovakia, Hungary) and in Slovenia. In these countries the general public has accepted the perspective of the membership in the European Union as sufficiently probable and desirable. Such a constellation mostly benefited the liberal elites and weakened the national populists. (Partly responsible for this were also the internal rifts, like those that occurred in Mečiar's Movement for Democratic Slovakia and in Antall's Hungarian Democratic Forum.)

In other East European countries with dominant national-populist elites, however, isolationist policies towards the West have prevailed. The oppositional liberal elites have not managed to come up with a convincing alternative to the integration of their countries with the West.

4) The proposals how to solve the problems of national identity and the constitution of a national state have varied from one liberal elite to another. It can be said that in four countries (Poland, Hungary, the Czech Republic and Slovenia) the liberal elites have successfully prevented political instrumentalization of national identity by national populists. It seems that in Poland and Hungary these issues have lost their political edge: the national-populist elites with the programmes centered around national identity were soundly defeated in the last elections. In Slovenia and the Czech Republic, the liberal elites have put to a good use national legitimation in the circumstances of the creation of new national states.

In the countries like Slovakia, Serbia, Romania and Croatia, national-populist elites still have a monopoly on national identity which has up to now been an insurmountable obstacle for liberal opposition. Serbia is a special case since the preponderance of the issue of national identity has led to the disappearance of *genuine* liberal opposition.

5) The problem of ethnic minorities can be found in a politically relevant form only in some East European countries. Unfortunately, and as a rule, its existence has been misused by national-populist elites even in the

countries where, like in Slovakia and Romania, the ethnic minorities' parties follow extremely moderate and cooperative policies.

The sole examples where liberal forces have benefited from cooperative ethnic minorities are Bulgaria and Macedonia. In Bulgaria, the Turkish minority has supported the liberal Bulgarian opposition while in Macedonia the moderate social-liberal government managed to prolong its mandate (even after the internal rifts) thanks to the support of the Albanian ethnic party.

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Let me sum up. I hope that the provided material about the course of liberal reforms in Eastern Europe will suffice to make my starting hypothesis plausible: the success of the liberalization of East European societies to a large extent depends on the quality of liberal political elites and their ability to solve the problems of economic and social security, social justice, their countries' integration with the West, the preservation of national identity and overcoming ethnic conflicts, and in this way to secure democratic legitimation.

The successes of the Czech Republic and Slovenia cannot be explained solely by favourable historical circumstances: after all, both countries had to solve some difficult problems while establishing their national states, the problems which did not exist in Poland, Hungary or Romania. On the contrary, I think that competent liberal politicians and their political programmes secured the success of liberal reforms in these countries.

Poland and Hungary are partly successful examples of liberalization. In Poland the policy of radical economic liberalization was replaced by the policy of slower and moderate liberalization tempered by social-democratic correctives. It is important, however, that national populists could not profit from the electoral defeat of radical liberals. In Hungary, the national-populist government coalition, which in the last four years slowed down liberal reforms, was ousted at the elections and replaced by a liberal coalition that will probably speed up the liberalization.

Truly problematic, however, are those countries in which, due to various reasons, the national-populist elites have gained so much ground that liberal reforms have scant chances: in Croatia this dominance was caused by the aggression and the prolongation of the war, in Serbia by the absolute priority of imperialist nationalist politics, in Romania by a coincidence of nationalism and *status quo* interests. Without changing the contextual circumstances in those countries, liberal elites will have little chances of success in the future.