



ITDIS

THE INSTITUTE FOR TRANSITIONAL DEMOCRACY AND INTERNATIONAL SECURITY

New Challenges to Democracy in Central and Eastern Europe

The Institute for Transitional Democracy and International Security (ITDIS) recently held its inaugural conference in Budapest, bringing together independent experts from 8 different countries of Central and Eastern Europe to discuss the growing threats to democracy in the region. Anne Applebaum, author of *Gulag: A History of the Soviet Camps*, gave the keynote address, in which she highlighted the prominent position of former communists and secret police currently in government throughout the region. Participants catalogued a growing list of tools and mechanisms being used by the political leadership to gain and maintain power and which run directly counter to democratic procedure. The initial meeting has launched a long-term effort to bring these assaults on democracy and individual liberty to light.

The project has been organized in partnership with the Centre for Research into Post-Communist Economies, UK, and funding for the project was provided by the Earhart Foundation, with additional support provided by the Atlas Foundation for Economic Research.

DEMOCRACY UNDER THREAT

In 2004, a decade and a half after the fall of communism and the year that the EU is set to enlarge into the region, countries across Central and Eastern Europe are finding democratic institutions and procedures being eroded rather than strengthened. In countries as economically diverse as Hungary, Poland, Romania, Macedonia, Serbia and Montenegro, and Slovenia, a strikingly similar political landscape is taking shape, one marked by major political scandals and abuses of power, growing societal tensions and divisions, and by the growing recognition among individuals that they still do not experience the economic and political freedoms that democracy should have brought them.

Is this commonality merely circumstantial? Or is it a function of the histories these countries share? For nearly fifty years, each was ruled by a totalitarian regime, with extensive mechanisms for political control and oppression. Now, many of those responsible for that oppression and control are again in positions of senior leadership. Indeed the current prominence of former secret police as well as former high ranking communists across the region is one of the most striking features common to the countries in question (see table below).

Sebestyén Gorka, Director of the Institute for Transitional Democracy and International Security asked, "Can those who excelled in the ways of totalitarianism and Soviet-style political control serve democracy and the rule of law with equal efficacy and dedication?" A growing body of evidence suggests they cannot.

THE LAND OF NO CONSEQUENCES

The experts brought together for the conference each documented a long list of violations of the rule of law being witnessed in his or her country. The majority of countries in Central and Eastern Europe were thus found to be demonstrating the following characteristics:

- Former communists are prominent in the current leadership, with former secret police conspicuous among them.
- Opposition parties have been discredited and/or weakened.
- Media has been returned to governmental control, directly or indirectly, while surviving independent media outlets that are critical of government find their journalists, editors, distributors, and advertisers under threat.
- Police and tax authorities are used as a means of threatening political opponents.
- Political opponents are slandered and libeled without substantive legal recourse.
- Decisions by the courts are reversed with the change of government.
- National security services and regulations are used toward political ends, for example: "classified" information meant to damage the opposition is leaked, while information damaging to the government is classified (in a recent criminal case for 85 years).
- Banks and public utilities are involved in major financial scandals often tied to campaign or party financing, and frequently with no legal ramifications.

The striking degree of similarity from one country to the next was seen as particularly relevant because it suggests that the mechanisms used for political control today are not merely the random acts of unscrupulous leaders but rather come directly out of the training they received under the Soviet-led dictatorships of the Cold War period.

CURRENT OR RECENT LEADERSHIP IN FOUR CENTRAL AND EASTERN EUROPEAN COUNTRIES

Hungary	Poland	Romania	Slovenia
Prime Minister Péter Medgyessy Secret Police Officer 1978-1982 Member of the Communist Central Committee 1987-89	President Aleksander Kwásnieski Various ministerial positions in Communist government 1985-89	President Ion Iliescu Leader or member of various Communist Party Committees 1949-1979	President (1990-2002) Milan Kučan President of the Communist Central Committee 1986-1989
Foreign Minister László Kovács Communist Central Committee member 1989 Staff member of the Communist Central Committee from 1975	Prime Minister Leszek Miller 1989-90 Secretary of the Central Committee	President of the Senate Nicolae Vacaroiu General Director, State Planning Committee 1987-89	Member of the Constitutional Court Ciril Ribičič President of the Communist Party (ZKS/SDP) 1989-1992
Minister of Sport Ferenc Gyurcsány President of the Communist Youth League 1988-1989	Deputy Prime Minister And Minister for Internal Affairs Josef Oleksy First Secretary of Regional Communist Party and Member of Central Committee	Vice Prime Minister and Minister of Industry and Resources Dan Ioan Popescu Staff Member, Communist Government 1984-89 Inspector to the Council of Ministers	Head of the Council of National Television and Head of Slovenian Olympic Committee Janez Kocijančič President of Communist Youth 1966-66 Member of the Central Committee 1980s
Minister of Health (2002-2003) Judit Csehák Member of the Communist Central Committee 1985-1989 Member of the Committee in charge of Secret Police	Deputy Minister of the Treasury Jacek Wozniakowski Officially acknowledged Collaborator of Secret Police	Vice Prime Minister and Minister of Public Administration and Interior Ioan Rus Cluj Regional Secretary of the Romanian Communist Students Association	Member of Parliament Vice-President and Chief Whip of Liberal Democrat Party Tone Anderlič President of Communist Youth 1986-1988 Member of the Central Committee 1989-1990
State Secretary for Secret Services András Tóth Communist Youth Central Committee staff member 1977-1983 Communist Central Committee staff member 1983-1989	Director Agency for International Security Andrzej Barcikowski Staff member of Central Committee of the Polish United Workers Party	Minister for Liaison with the Parliament Acsinte Gaspar Head of the Secretariat of the Council of State 1965-1989	Rado Bohinc – 2000 – present Minister of the Interior Member of Various Communist Party Committees 1976-1988 Federal Minister of the Economy 1988-1991

DEMOCRATIC UNDERDEVELOPMENT AND ECONOMIC CONTROL

Given this wide-ranging list of violations of the rule of law, it is little wonder that Central and Eastern Europe is becoming known as the Land of No Consequences. Citizens have grown cynical toward their leaders, whom they see as self-serving and corrupt. The division between former communists and anti-communists is widening. The failure to address the wrongs of the past, indeed, the very re-interpretation of the past, has further fuelled this division. There is increasing talk of social tension and the prospect for conflict. The worsening economic situation is seen as fertile ground for such conflict.

How has such a situation come about fourteen years after the supposed change of regime? One can identify five principle causes: 1) The absence of effective lustration; 2) The inexperience of the electorate; 3) The West's failure to censure former nomenklatura; 3) The withdrawal of private Western support; and 4) The lack of adequate economic reform.

The Failure of Lustration One of the miracles of the transition from communism to democracy in 1989 is that so little blood was shed. The transitions were brought about remarkably peacefully given the monumental nature of the change. However, this peace was bought at a price. In the negotiations that took place in Hungary and Poland, for example, the outgoing communist leaders required of the incoming opposition that there be no retribution. In exchange for a sharing of power, there would be no revenge, nor effective lustration. It is noteworthy that in the countries where the transitions were not so much negotiated as forced, as in East Germany, the Baltic states and Czechoslovakia, the lustration process went the farthest and democracy can now be said to be the most secure in these countries. Yet where the transition was negotiated (Hungary, Poland) or engineered (Romania), minimal or no sanctions were ever put into place as to who could hold

positions of power post-1989. As a result, the nomenklatura benefited greatly from their political expertise, their networks (domestic and international), and their economic advantage. Indeed, it now seems increasingly difficult for any opposition group to catch up with them.

The Electorate Nearly five decades of communism left the populations of Central and Eastern Europe fearful, suspicious, gullible, and with little or no belief in their ability to effect change. Aside from going to the polls to vote, they have remained largely uninvolved in the political process. To a degree, this is understandable. After the fall of communism, civil society had to reestablish itself from scratch. The initial focus, however, was largely on cultural, sports, and social organizations. Political organizations (such as PACs, think-tanks, watch-dog and monitoring groups) remained nominal. Only in the last two years has that begun to change. But until recently, while large portions of the population have felt frustrated by the levels of both economic and political corruption, they have felt powerless to do anything about it. Neither have they had the necessary mechanisms through which to act.

The West: Support for Political Reform Participation in the early transition process by Western nations comprised a healthy mix of governmental, inter-governmental and non-governmental efforts. Justifiably, they focused on the basic building blocks of political freedom: free elections, multiple parties, independent trade unions, an independent judiciary, independent media, and a healthy civil sector. By the mid- to late 1990s, it was felt these basic institutions were in place, with the result that Western assistance was scaled back dramatically, particularly non-governmental assistance. The largest foundations that had been providing support, Ford Foundation, Andrew W. Mellon Foundation, Pew Trusts, MacArthur Foundation, Rockefeller

Brothers Fund, John M. Olin Foundation, all discontinued their presence at this time. This was significant both because of the loss of financial resources to the democratization process, but also because it took away the plurality of support. The moral and financial support previously provided by private foundations and NGOs was extremely important in supporting the regeneration of a diversity of viewpoints in a region where for decades only the communist party had been allowed a public voice. Governmental and inter-governmental support, which by its very nature deals almost exclusively with the forces in power, has thus had a preponderant influence since the mid-1990s, further exacerbating the imbalance between former communists, now in government, and the opposition.

The West: Support for Economic Reform Economically, from the outset, the West stressed the importance of privatization. However, scant attention was paid to the question of into whose hands the economies were privatized. This can now be seen as one of the primary failings of the transition process. Because the communists controlled virtually all aspects of the economy, from banking to production, from state finance to regulatory agencies, from retailing to natural resources, with extensive overlaps between sectors, they were then able to maintain a monolithic control in the new economy as they eased assets into their own networks. Now, not only have they maintained economic control, but, importantly, they are putting their economic advantage toward political gain and are demonstrably distorting free market principles as they do so.

The Lack of Economic Reform While a large degree of privatization of the region's economies did take place after 1989, reform of the governmental sector did not. The state today remains nearly as ponderous and paternalistic as it was under communism. Parties across the spectrum are equally to blame. All those who have come into government have been more concerned with consolidating their power – or have focused on other issues – and hence have been unwilling to take the initially difficult and painful steps required to scale back the size of the government. The result is that the government's current budget remains exceptionally high, with the resultant need for revenue equally high. High taxes and high prices are crippling the economies of Central and Eastern Europe and providing an amply fertile ground for corruption. At the same time the government remains one of the biggest employers in each country, thus heightening "state capture".

ADDRESSING THE PROBLEM: STRENGTHENING DEMOCRACY IN CENTRAL AND EASTERN EUROPE

It is in the interest of all Western democracies that Central and Eastern Europe remain democratic, prosperous and stable. What, then, should be done in this current environment of growing instability and weakening of the rule of law? The greatest burden lies on the countries themselves. The time for major assistance or intervention by the West – short of the outbreak of civil war – has past. Therefore, the countries of the region must recognize that the situation would have to get far worse before the West stepped in. Fortunately, the past year or two have seen a new wave of political participation. In Hungary, it began with the formation of the Polgári Körök (Civic Circles) which were originally formed by Viktor Orbán, Prime Minister from 1998-2002, as a call for action in the face of the political victory by former communists in the elections of 2002. But in the two years since they were

formed, the Civic Circles have taken on a life of their own. They have grown in political diversity and are becoming the voice for a middle class that feels a growing stake in the political process. They are educating themselves and they are looking for ways to be heard. This is a very promising development.

Equally important to the survival of democracy in Central and Eastern Europe is the continued growth of the non-governmental sector, particularly media, think-tanks, monitoring organizations, and public interest groups. These provide a number of indispensable functions: monitoring and evaluation of government policy, development of alternative policies, public education, and development of the next generation of policymakers.

Western governments and inter-governmental organizations also have a role to play. They should no longer close their eyes to the repeated abrogations of justice witnessed in the region. Anne Applebaum wrote recently about America's choice of allies during the Cold War: "Here we were, fighting to bring democracy to the world with the help of a bunch of dictators whom we showered with laudatory speeches, White House dinners and economic "aid" that all too often wound up in Swiss bank accounts." (*The Washington Post*, 01/28/04). Today, the current leaders are not dictators but rather former secret police and high-ranking communists whose rule is based on tactics more devious and undemocratic than before. Not only does it discredit the Western nations to embrace such "friends," but it is also a disservice to the millions from both East and West who fought to end the injustices of totalitarianism. And in the long run, there will be a high price to pay for such hypocrisy if democracy fails in this part of the world.

Finally, private Western institutions and individuals—particularly those devoted to the notions of individual liberty and justice—have a vital role to play in Central and Eastern Europe. They can provide much needed moral and financial support. Western institutions can go a long way toward educating policymakers and voters as to the relationship between the rule of law, free markets, and individual liberties. The vast majority of Central and Eastern Europeans still believe that a large central government is the only guarantee of security and well-being. Because of this misperception, if ever the new democracies of the region falter or fail, it will be democracy itself that is held to blame, rather than the corruption and overspending of their governments.

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"...it is simply not decent for the grey men of the nomenklatura still to be hanging around the corridors of power. And often in the TV studios and newspapers too.... They, the old nomenklatura, poured the concrete and built the barbed-wire fences which divided and enslaved this Europe."

Wilfried Martens
Chairman
European People's Party
27 March 2004

Forthcoming

In April 2004 ITDIS will publish its first volume in the project:
New Challenges to Democracy in Central and Eastern Europe

CHAPTERS TO BE INCLUDED:

The Current Crisis of Post-Communism, by Anne Applebaum
Those Who Forget the Past, by George Ross
Portrait of a Political Policeman, by Ljubo Sirc, CBE
Illusion or Reality? The Single Party Syndrome, by Cosmina Tanasoiu
Pressing the Press: Eroding Freedom of Speech in the Romanian Media, Luciana-Alexandra Ghica
Foreign Aid and the Failure of Reform in Serbia, by Miroslav Prokopijevic

...and other works on the current status of democracy in Central and Eastern Europe. The book will be available at no charge. To order a copy, please send an email to itdis@itdis.org

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ABOUT THE ORGANIZERS

The Institute for Transitional Democracy and International Security (ITDIS) was founded in 2003 as a multidisciplinary public policy institute whose purpose is to carry out research and public education on the challenges facing transitional democracies. The board and staff of ITDIS are committed to the core values of democracy, the rule of law, and free markets. Their mission is predicated on the belief that while many of the post-Communist nations are seen as graduates of transition, their citizens do not yet experience the economic and political freedoms that democracy should have brought them.

The Institute brings together experts from around Central and Eastern Europe as well as from Western Europe and the United States in order to further global understanding of the difficulties and challenges faced by countries in transition to democracy. The founders of the Institute are Sebestyén Gorka, an internationally known expert on political violence, national security and defense reform; and Katharine Cornell Gorka, former senior fellow of the World Policy Institute, New York.

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The Centre for Research into Post-Communist Economies (CRCE) was founded in 1983 by Ljubo Sirc, Lord Harris of the Institute of Economic Affairs, and the late Antony Fisher of the Atlas Foundation. The CRCE carries out research into the problems of communist economies and in economies making the transition from communism to democracy and market economies. The CRCE works with an extensive network of economists and experts from around the world. Much of their work relates to Central and Eastern Europe.

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