Socialists and social democrats are and should be very concerned about growing populism and an increasing lack of respect for minorities. This publication concentrates on recent developments in new Member States. The countries of Central and Eastern Europe have in the last two decades gone through a democratic and socio-economic transition which is without precedent. Latent problems related to that process came to the surface after EU accession, culminating in expressions of extreme nationalism, the rise of populist parties and the reappearance of unresolved questions concerning minorities.

In this publication, edited and introduced by Hannes Swoboda and Jan Marinus Wiersma, these trends are analysed and discussed in a frank way by well known researchers and prominent MEPs from the new Member States. They give a better insight and provide lessons on how to move our agenda forward in the whole of Europe.

ISBN 978-92-823-2525-4
9 789282 325254

Democracy, Populism and Minority Rights

Democracy, Populism and Minority Rights

Edited by
Hannes Swoboda and
Jan Marinus Wiersma

PSE
Socialist Group in the European Parliament

RI RennerInstitut

Democracy, Populism and Minority Rights

Edited by
Hannes Swoboda and
Jan Marinus Wiersma

ISBN 978-92-823-2525-4

Table of contents

Foreword

Martin Schulz

This publication expresses the great importance the Socialist Group in the European Parliament attaches to the fight against all forms of political extremism in the European Union and elsewhere. To sharpen our arguments, we engage in a continuous debate with experts and those directly involved. This was also the main motive for our Group's conference, co-hosted by the Austrian Renner Institute, on "Democracy, Populism and Minority Rights" which took place on 1 February, 2008 in Vienna, and is the basis of this book.

Socialists and social democrats are and should be very concerned about growing populism and an increasing lack of respect for minorities. This publication deals with recent developments in new Member States but one should not overlook the threats to the so-called older democracies. The countries of Central and Eastern Europe have nevertheless in the last two decades gone through a democratic and socio-economic transition which is without precedent. Ten Central and Eastern European countries became members of the EU in 2004 and 2007 respectively. Given the fact that before accession all political energy was invested in the membership negotiations, it is no surprise that latent difficulties linked to the manifold transition processes came to the surface afterwards, culminating in expressions of extreme nationalism, the rise of populist parties and the reappearance of unresolved questions concerning minorities.

In this publication, edited and introduced by Socialist Group Vice-Presidents Hannes Swoboda and Jan Marinus Wiersma, these trends are analysed by well known researchers and prominent colleagues from the new Member States. You will find a variety of individual contributions which do not represent official Socialist Group positions but will give a better insight and provide lessons on how to move our agenda forward. It was and remains our aim to make the transition in the new Member States (and, for that matter, the countries of the Western Balkans) a success, meaning well-functioning democracies, socially responsible governments and respect for individual human and minority rights.

Martin Schulz (Member of the European Parliament) is the President of the Socialist Group.

Introduction

Erich Fröschl

Populism, especially right-wing populism, has become attractive in Europe since a couple of years ago. In many Western European countries right-wing populist parties have been successful in elections. In some cases they were/are even coalition partners in predominantly conservative-led governments.

The success of right-wing populism is clearly connected with the globalisation crisis of neo-liberal shareholder capitalism and its negative impact on labour markets, wages and work force qualifications. Millions of blue and white collar workers have lost their jobs or are at least anxious about losing them. They have been confronted with the severe shock of not only losing their economic existence, but also their traditional social role and their identity. In this situation many of them do not feel represented any longer by the political programmes and policies of the moderate right and left parties. They tend to follow more radical political parties and their leaders, who are promising simple solutions to complex problems.

Growing right-wing populism has also accompanied the period of "transformation" of the former authoritarian communist systems in Central and Eastern Europe since 1989. This transformation crisis was a traumatic experience for many people. The implosion of communist regimes was followed by the "market shock" of enforced introduction of neo-liberal market capitalism. The accelerated economic change resulted in a radical change of society as well. It was accompanied by tensions and anxieties felt by a large part of the population, who were thrown into an insecure social status. The result was a large number of losers, who were not able to cope with this "new insecurity". There was a great deal of fighting among the elites about the re-distribution and privatisation of state resources. It was accompanied by an aggressive tone of political language as well as an appeal to nationalist and xenophobic rhetoric and programmes. The question of national minorities also played an important role in boosting support for right-wing populist agitation.

For all these reasons it is very important for social democrats across Europe to find new, efficient and also attractive solutions to

Erich Fröschl is Head of the Academy for International Politics at the Renner Institute, Austria.

the current labour market and social policy problems, in order to regain lost political ground, convincing political leadership and stronger influence on EU economic and social policy.

We are very pleased that the Socialist Group in the European Parliament chose the Renner-Institute in Vienna as its partner and venue for the seminar on "Democracy, Populism and Minority Rights".

This seminar continued a long line of cooperation projects which we have organised with the Socialist Group. The outcome can surely help us, the Political Academy of the SPOE, in our task of supporting sustainable democratisation in South-Eastern and Eastern Europe. We already do so through the network of European foundations cooperating with the Forum for Democracy and Solidarity of the Party of European Socialists, as well as on a bilateral basis.

The research results and political conclusions of this seminar will be helpful in our task of supporting further implementation of these democracy-building measures. So, although this seminar dealt primarily with Central and Eastern European developments, the outcome will be helpful to all of us, since up to now we could not really say that we have found profound solutions and political measures to minimise right-wing populism to a scale that is not dangerous for democracy.

Consolidating New Democracies

Hannes Swoboda and
Jan Marinus Wiersma

The enlargement of the European Union that took place in May 2004 and January 2007 was a major success. The Socialist Group in the European Parliament was a great supporter of the accession of twelve new Member States. Since the fall of communism in 1989, the Socialist Group has been active in helping these countries to strengthen their democracies.

Even if the economic and political integration in general is progressing well, certain developments in some new Member States leave us, however, with a feeling of discomfort. Our main concerns are the growing nationalism and minority tensions, the growing populism and the voters' apathy in this part of Europe. Nevertheless, it should be underlined that populism and political polarisation are not unique to the new member countries; they can also be found in the old Member States.

Since we, as Members of the European Parliament, have both played – and still play – an active role in EU enlargement, we feel a special responsibility towards the countries concerned. The disquieting developments in the new Member States prompted us to organise, in close cooperation with the Renner Institute, a seminar on democracy, populism and minority rights. The contributions and conclusions of the participants, from both the academic and the political field, are reflected in this publication. They express individual views and do not represent the official position of the Socialist Group in the European Parliament.

Questions and possible answers

The recent political developments in Central and Eastern Europe leave us with a number of questions. It is clear that there are large fluctuations, after every election, in voters' preferences. However, the swings that occur in this particular region do not seem to be just healthy re-consideration of political preference. The extremes are

Hannes Swoboda (Austria) and Jan Marinus Wiersma (The Netherlands) are both Vice-Presidents of the Socialist Group in the European Parliament and have been responsible for EU enlargement for many years. In addition, Jan Marinus Wiersma was Parliament's rapporteur for Slovakia. Hannes Swoboda is rapporteur for Croatia.

gaining ground, and in particular populist parties and populist tendencies inside certain parties are becoming ever more dominant. Does this development, then, hint at a basic lack of trust in centre-left and centre-right politicians? Does it point to a loss of confidence in mainstream politics?

First of all, we have to define more clearly what populism actually means and what it entails. Populism as a term is, as Anton Pelinka states, as old as democracy. After all, one could even go back to the days of the Roman Republic, when leaders such as Gaius Marius and Julius Caesar were coined *populares*, meaning they used popular referendums to go over the head of the Senate and establish the laws they saw fit. Pelinka holds the opinion that populism, throughout the centuries, is not defined by any particular programme, but by a specific technique: mobilising the people against the elite. Since the term is so broad, Jean-Michel De Waele believes it is better to talk about anti-system parties instead.

When we take a look at contemporary populism in Western Europe, the main message of this movement is a cry for plebiscitarian democracy: "the people" should get immediate power, by means of referenda or leaders who know what "the people" really want. Populists offer solutions in slogans that simplify complex political issues into one-liners, denouncing the – in their eyes – scheming politicians with their endless debates in parliament.

Furthermore, populists tend to take the political fight out of parliament and into the streets. A mild form can be witnessed in the Netherlands, with populist leader Rita Verdonk proudly answering to questions about her non-attendance in parliamentary debates that she would rather be outside the parliament in real contact with the people than playing political games inside. A harsher form can be witnessed in Hungary, where opposition party Fidesz organised demonstrations on the streets against the Gyurcsany government, while refusing to have debates in parliament with the government. In this way former Fidesz Prime Minister Viktor Orban made clear that he cared little about parliamentary procedures.

The problem with populism is that it tends to define democracy as majority rule, while liberal (representative) democracy takes into account the principle of majority rule as well as the principle of protecting minorities and individuals. The latter prevents a tyranny of

the majority. Respect and the protection of minorities vis-à-vis the majority is one of the most important aspects of informal democracy. Informal democracy, in this context, means that politicians do not only formally obey the rules, but also act according to the spirit of those rules. This implies that politicians try to be accountable, transparent and act in the interest of their electorate and not of themselves. It also entails parties seeking government responsibility to pursue a policy agenda, not just and merely for power itself. Moreover, it envisages that political parties cooperate with each other, take responsibility if need be, as in Germany and Austria with the *Grosse Koalition*, and do not just stare with hostility at each other, as it is the case in the Czech Senate.

That populism could have dangerous implications or consequences is something all authors agree on. But there are some differing views on the degree of danger. Whereas André Gerrits believes one could explain populism in Central and Eastern Europe as a healthy signal that the depoliticised phase – caused by the inevitable accession conditions – is over, Adrian Severin perceives the phenomenon as an outright threat to democracy.

We believe it is paramount to establish why people vote for populist parties. What are the reasons that make people turn away from mainstream politics? Although populism is a widespread phenomenon in Europe, we focus on Central and Eastern Europe specifically because the young democracies in this part of Europe went through multiple transitions (of a political, economic and societal nature). Foremost, serious political parties should try to understand the reasons why populist parties have become so popular in order to offer realistic solutions that deal with voters' problems and concerns**.** In addition, some conclusions may also be drawn for the benefit of fighting populism in the old Member States.

One could group these developments into three categories of reasons why people are becoming increasingly sceptical of politics and turning to populist parties, or not voting at all. The first category concerns *governing factors*, meaning the effect of policies (such as reforms) and issues of political and moral conduct of those in power (corruption, for instance). The second category relates to *party structures*, since political parties are the key actors in European democracies. Finally, the third category encompasses *media*

and communication issues – not only the way a government communicates its policies but also the way in which the media function as a watchdog.

Governing factors

As Gabor Hunya and Michael Dauderstädt eloquently point out in their respective contributions, the first post-communist governments embarked upon an ambitious neo-liberal reform programme, with warm encouragement from the United States (and the EU) and international organisations such as the IMF. Shock reforms were introduced, albeit in different degrees, causing major economic restructuring with many state-subsidised companies either going bankrupt or, in some cases, being privatised under dubious conditions. For the dynamic parts of society (the young, the well-educated or the well-connected) this was something good, yet for a large part of society it meant insecurity, unemployment and poverty. After initial enthusiasm for the downfall of communism, these losers of transition (or modernisation) increasingly grew disenchanted with politics. Pelinka notes that there is a gap between (higher educated) modernisation winners and (less educated) modernisation losers. Europeans with a higher education see themselves profiting from Europeanization, globalisation, and modernisation in general, while there is an electoral shift on the part of the less-educated workers towards populist right-wing parties. In this context he even speaks about right-wing populism as a proletarian phenomenon, a challenge to the claim of the traditional left parties to represent those who lag behind.

Furthermore, both centre-right and centre-left governments failed to develop a policy agenda beyond the accession criteria of the EU. As Jean-Michel De Waele also stresses in his contribution, governments did not launch long-term ideas on the future of society, education, housing or healthcare, in contrast to their western European counterparts. Most policy ideas beyond the Copenhagen criteria were based upon power-driven logic: how does my party stay in power and how do I keep my opponent out?

Gabor Hunya points out in his contribution that during the transition period a private economy appeared which was linked more to the state than to the market. Indeed, here the corruption scandals

occurred. In almost every single government in Central and Eastern Europe since 1989 there have been scandals that have undermined the trust of the population in politics. Political connections originating from the communist past were used during large privatisation operations. Former public officials acquired large capital sums which they would later use to get political influence. One of the most infamous examples is *Rywin*-gate in Poland, when public officials allegedly tried to buy the influence of the independent daily *Gazeta Wyborcza* by means of an immense bribe.

Another element of moral behaviour in office is the way in which the communist past is dealt with. Most people would agree with the idea that personnel changes were needed in order to do away with old regime networks and to indict those who were personally responsible for repression. André Gerrits and Ivan Krastev argue, however, in their respective contributions, that the issue of lustration is being abused by those in power to eliminate their political enemies, with the Kaczynski twins in Poland as the most notorious example. The crusade against former communists, therefore, seems not to be born of only moral reasons – to erase the old *nomenklatura* connections and to bring prominent communist "bad guys" to justice – but also out of a quest for power. This difficult issue of society coming to terms with its past might have been overlooked by the rest of Europe.

Party factors

Post-communist societies tend to have a lack of social cohesion. This might surprise because many of the reform movements actually originated in civil society –*Solidarnosc,* for example, was an independent trade union. Nevertheless, there are very few strong civil organisations in post-communist countries. NGOs seem weak with membership numbers falling, accompanied by a lack of general support. This might be explained by the fact that in communist times people were literally forced to play a role in the public domain with mandatory party memberships. After the fall of communism, both the compulsion to conform and the impetus for opposition disappeared. Out of disillusionment with politics and faced with a sudden wave of liberal individualism, collective thinking was discredited and people started to care more about their individual material well-

being than about society as a whole. The direct result: the domination of the public domain by political parties.

In our opinion, it is of great importance to ascertain what kind of role political parties play when it comes to formal and informal democracy. Formal democracy refers to the institutional and legal arena of politics in which the constitutional rules are laid down. Informal democracy defines the behaviour of the actors in the political process – parties, politicians and voters – according to certain ideas of how they should act. For instance, politicians and their parties are expected to be accountable and transparent, while the electorate is expected to vote on the basis of a political programme and its concrete implementation. If politicians do not operate according to these informal rules, something is amiss.

As André Gerrits and Ivan Krastev discuss in more detail, policy choices of political parties were dominated by external factors: the overwhelming consensus in favour of western European liberal democracy and American-style open markets and the wish to join the EU and NATO. Left-leaning governments were also committed to EU and NATO membership and were consequently forced to pursue more or less the same reform agenda as the centre-right. This must have been confusing and disappointing for people who voted the centre-right out of office and voted for the left because they felt the reforms were undermining their security. Moreover, during the 1990s, social democratic and liberal parties in Western Europe were also turning away from traditional ideological stances towards the Third Way, right at the time when their Central and Eastern European counterparts were shaping themselves along the lines of their sister parties.

Taken together, one could conclude that there was no real political discussion about the course of the country (because of the pressure from Brussels), differences in ideology, or about economic alternatives. As Gerrits states in this book, the real political tensions were masked by the EU negotiation process, just waiting to come out later, after accession, when there was no need anymore to present a united front to Brussels. That would explain the increasing parliamentary polarisation in the Czech Republic and the "street" polarisation between Fidesz and the social democrats in Hungary. In addition, Krastev argues, because there is consensus on the eco-

nomic and democratic system – in contrast to Europe in the 1920s and 1930s – political parties are not fighting each other on economic issues but on issues such as lustration and nationalism.

Other European leaders were rather stunned when Jaroslaw Kaczysnki, during the negotiations on the Lisbon Treaty, exploited the Second World War as a negotiation tactic to demand more Polish seats in the European Parliament. Such political use of the past is against the very idea of European integration, based on peaceful cooperation without bringing up the past for political means. As Libor Roucek also states in his contribution: history should be dealt with by historians, politics should be dealt with by politicians. This abuse of the past – based on rather nationalist ideas – and other rhetoric about being truly "Polish" were echoed in similar nationalist phrases by Fidesz in Hungary and – albeit somewhat milder – by President Klaus in the Czech Republic. It seems to be an outcome, in a way, of the *Verspätete Nation* syndrome. Regaining independence and immediately handing over some of the sovereignty to the EU proved too much for certain nationalist parties, which, as Krastev mentions, were also boosted by the absence of social class conflicts.

This revived nationalism clearly has consequences for minorities, bringing about tensions within and between countries (most notably between Slovakia and Hungary). Balazs Vizi argues in his contribution that, although the EU paid special attention to minority rights up until accession, after the candidates joined the ranks of the Members, the implementation of laws became problematic. Nearly all authors in this publication hint at the phenomenon that the EU is very influential on reform issues in the accession process, but relatively powerless after accession. Once countries have joined the EU, minority rights are regarded as internal affairs of Member States, referring to the principle of subsidiarity. Although we do not believe that the EU should duplicate the work of those institutions that deal with minority rights – such as the Council of Europe and the OSCE – we are convinced that the Member States could be more active in adapting existing EU instruments to improve the protection of minorities. As Vizi argues, the EU Agency for Fundamental Rights could play a more pro-active role in monitoring Member States' practices. Generally speaking, Member

States should be more aware of their duties regarding the protection of minority rights. Problematic minority issues within the EU Member States should become a legitimate field of co-operation as they have in other international organisations. This is also the reason why we personally, together with Socialist MEPs from Slovakia and Hungary, are engaged in promoting a better understanding between Slovaks and Hungarians in Slovakia. We do not want to interfere in internal politics but we wish to promote an important European value.

This issue also concerns the sizeable Roma communities in the new Member States. Although the adverse situation of the Roma was addressed during the accession process, discrimination and exclusion continue to persist. Many populist and nationalist politicians are hostile towards the Roma, using them as scapegoats and reproducing discriminatory practices. The Socialist Group has consistently drawn attention to the situation of the Roma, most recently during the conference "Towards a European Roma Strategy, from Commitments to Results", organised on 6 March, 2008 in Brussels. It has always been our view that the Roma cannot be regarded in the same manner as other national minorities, because they lack a clear territorial base or connection to any nation state. Our premise, therefore, is that promoting inclusion of the Roma is a shared responsibility for the European Union and its Member States; a position which was, for the first time in history, also recognised by European government leaders in December 2007. In March 2008 we presented a nine point programme for a more effective and comprehensive European strategy to improve the situation of the Roma. This should include funds specifically earmarked for them, but also instruments such as a Framework Strategy for the inclusion of the Roma. The European Commission has been reluctant to come forward with plans, also because it touches on subsidiarity issues. It is our firm conviction, nevertheless, that the European Commission can and should do more to promote inclusion of the Roma.

Communication and media factors

The role of the media was not discussed during the seminar in Vienna. Nevertheless, when talking about the functioning of democracy in Central and Eastern Europe, the media cannot be left out of

the analysis. Often, the media is described as the provider of oxygen in a democracy. It keeps political forces in check by reporting about the decision-making process and the rationale behind it. If there is foul play at hand in business, civil society or in politics, it is the duty of the media to bring the story to the public. In other words, the media acts as a watchdog for those in power. It seems that, after first having paid lip service to the principle of free and independent media, the stance of some newly elected governments changed when the first negative publications appeared. The initial reaction of governments in trouble, regardless of their political colour, was to control the media. Because politicians believed that the press was partisan or "hired" by the other side, they felt they had the moral right to control the media in order to give the electorate "the real facts". This happened with varying degrees of success.

The media does not always appear to be independent either. Formal safeguards of internal independence such as effective codes of conduct and editorial statutes are almost absent. Journalists often seem to be deprived of basic job security and protection vis-à-vis their employers, which might cause editorial self-censure.

Since the business climate prevents the media from becoming financially independent, it often depends on funding from third parties. Yet, this means depending either on the government via state subsidies, or on business oligarchs who have political ambitions or who wish to "steer" public opinion (after Berlusconi called the "Italianisation of the media"). Consequently, media independence is often jeopardised. Another related reason for the gradual demise of independent media (which can also be witnessed in Western Europe and the United States) is privatisation and commercialisation – meaning subordinating media performance to market requirements. Because it sells, sensationalism and tabloids are on the rise, blending facts and fictional material. Public figures are being attacked without a real factual basis, nonetheless reputations are being ruined. The problematic image of politics is hence even further damaged.

Steps that could be taken in order to improve media independence include laws that protect journalists from the government, and legislation to ensure financial transparency; it should at least be clear to the public who owns which media. Nevertheless, politicians

and journalists alike should be aware of their respective responsibilities: it is inherent to the public position of politicians that they are scrutinised by the media, while journalists should do this in an independent and objective manner. Again, this is part of informal democracy.

Start of a debate

Of course we do not pretend to offer a full explanation nor analysis of the situation in Central and Eastern Europe in this introductory article. We are merely putting forward those elements we think are vital in a debate on the state of democracy in Europe in general and in Central and Eastern Europe specifically. We do believe, however, that starting a debate on these issues in the PES and social democratic parties all over Europe is the first step towards improvement. In that context, we would like to stress once again that the views and opinions brought forward by the authors are not necessarily ours.

Elements such as the creation of a clear policy agenda based upon ideology, the consolidation of informal democracy and media reforms are in our eyes paramount to bringing about positive change. A policy priority in our eyes is education. As Anton Pelinka shows, there is indeed a correlation between the lack of higher education and populism. Better educated and informed Europeans could prove more able to resist populist simplifications, to look behind the "we"- and "them"- rhetoric of populism. But simple messages also attract better educated voters who fear the complexity of the modern world or do not like the complex explanations of professional politicians. It will not be easy to tackle their worries but by maintaining a responsible and open attitude by the more established parties, either in government or opposition, it must be possible to expose the ultimate irrelevance of populism when it comes to finding real solutions to pressing problems.

Those who see politics as building bridges, promoting tolerance and the balanced development of our societies, have great difficulty accepting the one dimensional message and the methods of populists, left-wing or right-wing. They constitute a danger to representative democracy and must therefore be opposed. But one cannot ignore the motives of those who vote for what very often are illusions. Many people do not recognise that the established parties

are acting in their interests. They want change. There they have a point. Social democrats should never identify themselves with the status quo. Our agenda will have to reflect the aspirations of those we ask to support us but on the basis of clear principles.

We are especially concerned about the lack of adequate minority policies in the EU. Many promises were made before accession but there are no instruments to enforce them after. This should change, starting with the recognition of the Roma as a European minority.

The EU should in the future pay more attention to the social implications of the economic and political transitions that are required during the accession process. In other words, it should be considered whether the EU has to develop a separate social agenda, dealing with the social consequences of the economic and political reforms laid down in the Copenhagen Criteria, before and after accession, and aiming to improve the situation of the losers from transition. As social democrats we plead strongly for such an approach.

In order to make democracy work better, it is necessary that parties redefine their political mission under the conditions of EU membership and indicate what their real priorities are. Based on this, political parties should draft the political programme that they want to pursue. In order to promote a better understanding of what democracy really means, parties will have to improve transparency, internal democracy, and voter consultation. And parties should be ready to give up their monopolistic position by strengthening the role of civic society. The system has to create its own opposition. As the circumstances in the new Member States are unique, simply copying examples from the old EU is not enough. Partly there will have to be a kind of reinvention of pluralism in countries that up until not long ago were ruled in a dictatorial way.

The discussion should not only be focused on Central and Eastern Europe, but on the desired conduct of politicians of a specific political family all over Europe. Corruption and other forms of misconduct still occur everywhere where human beings work and live together, not exclusively in Central and Eastern Europe. It is a debate which takes place on the basis of equality, not a case of the "wiser and older" Western European comrades reprimanding their

counterparts in Central and Eastern Europe. This dynamism should, in our view, result in a general Code of Conduct for our transnational political family. Of course, one should not have the illusion that drafting a code would root out all cases of misconduct, but at least there would be a measuring instrument that could help to stimulate discussion and keep the topic high on the agenda.

Outline of this publication

The contributions are divided into four different parts. Firstly the ways and consequences of economic transition are discussed. Gabor Hunya describes the different roads of transition, varying from "shock therapy" in the Baltic States to a more gradual approach in Slovenia. Michael Dauderstädt focuses on the consequences of economic transition.

In the following section the phenomenon of populism is the central theme. How can it be defined and what meaning should we give to it? Anton Pelinka, Jean-Michel De Waele, André Gerrits and Ivan Krastev all give, from varying academic perspectives, their interpretation.

Then the issue of nationalism and ethnic minorities is discussed. Balazs Vizi gives his view on ethnic minority rights in the framework of accession to the EU. Helmut Kuhne describes the efforts of Danish-German reconciliation in dealing with minorities on both sides of the border, while Libor Roucek gives an overview of German-Czech efforts.

Finally representatives of some national delegations in the Socialist Group offer their views. Csaba Tabajdi (Hungarian delegation) outlines why populism could endanger the very essence of democracy. Monika Benova (Slovak delegation) describes the current political situation in her country. Adrian Severin (Romanian delegation) discusses a theoretical and philosophical framework in which Europe should reinvent itself by adhering to the need of the people for "myths" while fighting populism. Jozef Pinior (Polish delegation) describes the current political situation in Poland by looking into the origins of the reform movement. Finally, Atanas Paparizov (Bulgarian delegation) explains the major challenges his country is facing after EU accession.

This publication, with views both from the academic world and from social democratic politicians, will hopefully contribute to the creation of a new and positive dynamism in the debate. We would like to thank our friends at the Renner Institute, all the authors in this book and the participants in the Vienna Seminar for their insightful contributions.

This publication would not have been possible without the excellent support of our staff: Herwig Kaiser, Guido Reehuis, Kati Piri, Maggie Coulthard and Rosario Moles.

Brussels, May 2008

The contributions
in this publication do
not represent the Socialist
Group's official position

Economic Transformation and its Consequences in the New Member States

Gabor Hunya

The economic transition trajectory – principles and outcome

Economic transformation to a market economy was based on the so-called Washington Consensus (Naim, 1999), a liberal concept worked out for Latin America. It contains the basic policy elements of the market economy: liberalisation, stabilisation and privatisation. Carrying through these reforms was also the pre-condition of EU accession. Thus the policy of the EU coincided with those of the International Monetary Fund (IMF). This transformation trajectory was criticised a lot because it caused massive devaluation of past achievements (assets, skills, institutions, technologies) and caused a lot of social strain. It wiped out work-places and job opportunities first of all for the unskilled workforce. Some of the problems, like the transformational recession (Kornai, 1994) were soon overcome; others appear more lasting.

As a result of market economy reforms, transition economies have been able to grow faster than old EU Member States. Their economies have become competitive and attractive for foreign investors. Economic growth accelerated further after EU accession. Despite the recent success story in terms of economic growth, inflation decline and competitiveness, social indicators, especially inequality indicators, did not improve. In the search for increasing competitiveness most countries decreased taxes and streamlined social services, which may further aggravate social problems.

The following figures demonstrate the macro-economic results of transformation and point out some features regarding the relationship between economic growth, employment and foreign ownership which may cause social problems.

Gabor Hunya is senior economist at the Vienna Institute for International Economic Studies (WIIW).

Transformation: impact on growth, employment and Foreign Direct Investment (FDI)

Transformational recession hit the countries in the early 1990s and many of them suffered a second recession some years later, but by the time of EU accession they were all able to grow fast (Fig 1). Over the period 2001–2003 GDP in the new Member States increased by 3.1% on average and over the period 2004–2006 it rose by 5.3% (Gligorov and Richter et al., 2007). In part, this improvement is attributable to the distinctly better growth performance in the EU-15. Nevertheless the new Member States substantially increased their lead over the EU-15, up from 1.7 percentage points in 2001-2003 to 3.1 percentage points in 2004-2006. This improvement in growth performance encompassed all new EU members apart from Hungary.

The economic upswing was for a long time accompanied by falling employment and increasing unemployment as it was driven by productivity increase (Fig 2). Employment recovered only in the last couple of years. Economic growth coincided with rapid structural change, first a shift to services and de-industrialisation. Later on a re-industrialisation took place driven by foreign direct investment. Rapid changes in economic structures and job opportunities were a real challenge to wage-earners, many of whom could not cope.

Fig 1: Annual GDP growth rate, real compared to previous year, in %

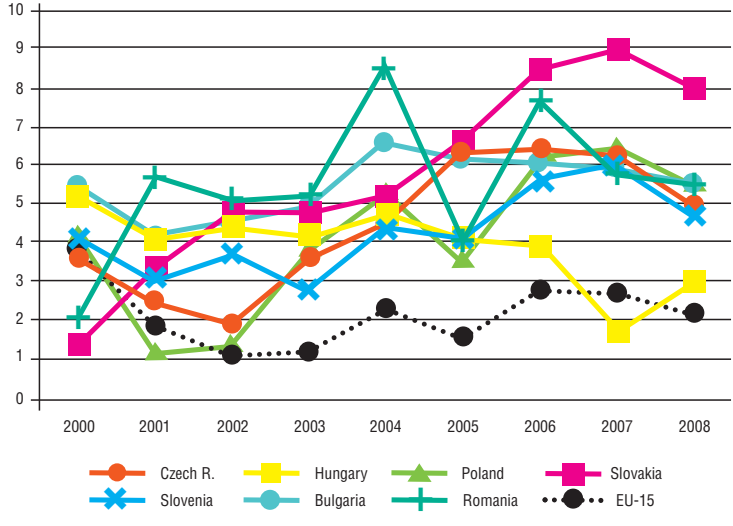


Fig 2: GDP and Labour productivity in the new Member States (NMS) and EU(15) Index 1995=100

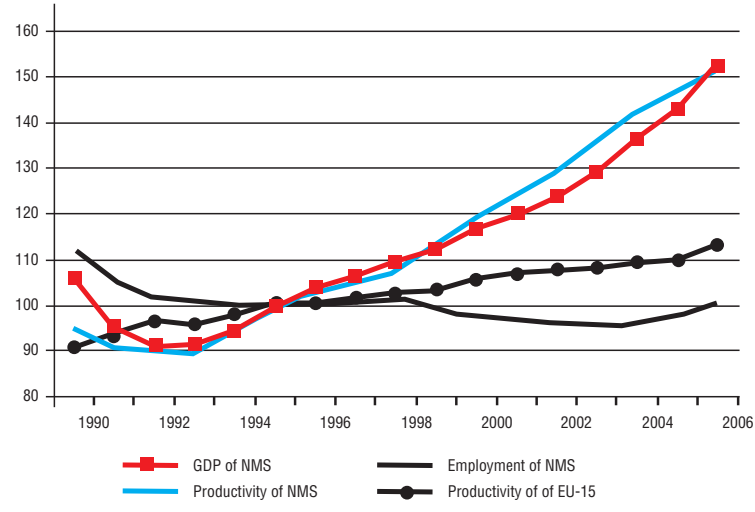


Fig 3: Employment rate by education 2005, in %

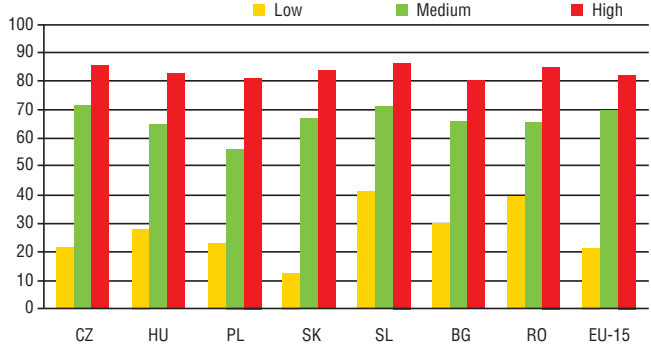
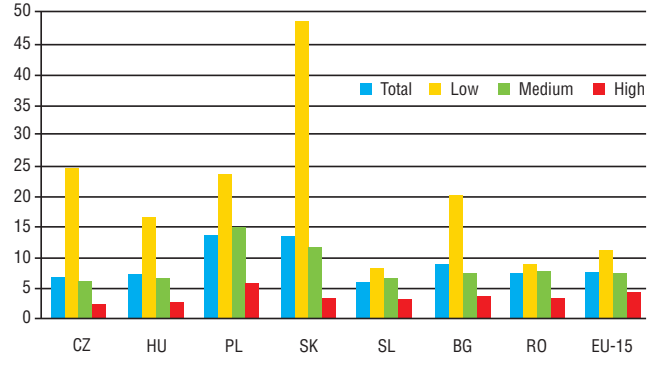
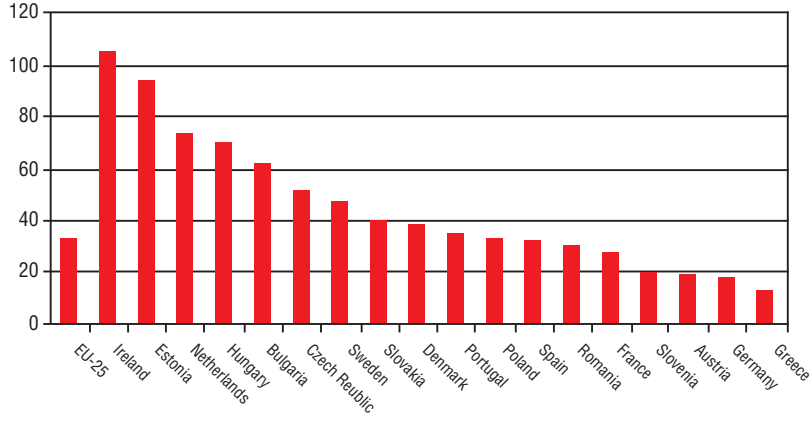


Fig 4: Unemployment rate by education, 2006, in %



Stronger economic growth reduced unemployment in the new Member States in the first three post-accession years, although this improvement is less spectacular than in the fields of GDP, investment and export growth. On average unemployment still remained twice as high as in the EU-15, but the gap was closing. Taking the new Member States individually and employment by skill groups, the picture becomes much more mixed (Figs 3 and 4). While five new Member States managed to reduce their unemployment rates to a considerable extent, Hungary and the Czech Republic (two countries with traditionally low unemployment) recorded an increase. Employment rates range from a low of 55% in Poland to 68% in Estonia. Together with Slovenia and Latvia, Estonia's employment rate already exceeds the EU-15 average of 66%. Lack of skilled labour is reported for most countries, not only in the automotive industry in the Czech Republic and Slovakia, but also in segments of the service sector such as health-care, civil engineering and ICT. Despite the new Member States having a low number of people with the lowest levels of education in their labour forces, their employment and unemployment situation is much worse compared to the same group of workers in the EU-15 labour markets. Low educated labour is the main loser from transformation and has a relatively much worse situation than in the EU-15. At the same time, the employment rates for medium- and highly educated people do not differ much between the new Member States and the EU-15.

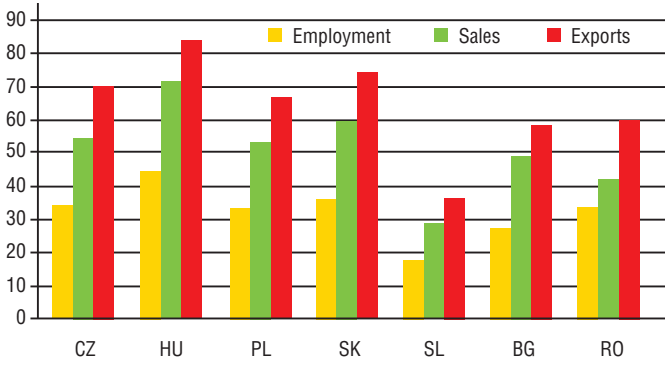
Fig 5: Inward Foreign Direct Investment (FDI) stock per GDP in selected EU members, 2006, in %



FDI penetration is very different among individual EU members (Fig. 5). The highest levels have been reached by Ireland and the Netherlands, while Greece and Austria are below the average, together with some of the larger Member States. In terms of economic growth, both groups of countries, those with high and with low FDI stock per GDP, have been catching up with the most developed Member States. Among the new Member States, three have above average FDI stocks per GDP, namely Estonia, Hungary and the Czech Republic; the rest of the countries are below the EU average. Large differences between FDI penetration figures express size differences of countries, but also different development strategies. New Member States with below average FDI penetration have had faster than average FDI growth in recent years, with the exception of Slovenia. As a result, Poland and Slovakia could reach the average EU level one or two years later. Among the new Member States, only Slovenia has a strategy which is not targeting inward FDI as a vehicle for economic growth, and still the country has a stable medium-high rate of economic growth. The rest of the countries follow quite similar FDI friendly strategies and compete for new investment projects.

EU integration stimulated cross-border investment and enlargement has given it another push. In the three years after EU accession, FDI and economic growth of the new Member States both increased stronger than before (Gligorov and Richter et al., 2007). FDI inflow in current euro terms was close to EUR 25 billion more in the three years after accession than in the three years before it. Although the new Member States have been catching up fast, the difference in terms of FDI volume and per capita GDP in absolute terms between the old and new Member States has remained almost unchanged.

Fig 6: Share of foreign investment enterprises in manufacturing, 2002, %



Information concerning the performance of the foreign sector in an economy can be gained from the foreign investment enterprise (FIEs) database[1]. Foreign investment enterprises are usually larger than the domestically owned ones; they are more capital intensive, have higher labour productivity, and are also more export oriented (Hunya, 2004). The impact of FDI is less on employment than on other indicators, thus only a small fraction of the population may benefit from the higher wages offered by FIEs. Looking at individual countries, foreign penetration is highest in Hungary, which has become a dualistic economy where the FIEs are the major driving force of production and exports, while the domestic companies concentrate on less profitable activities. In Poland, on the other hand, performance in the two sectors is more balanced (see for similar conclusions regarding Ireland and Singapore: Ruane and Ugur, 2006). We can also acknowledge the contribution of FIEs to productivity growth and structural upgrading in host economies (see also Damijan and Rojec, 2007). Again, the fast structural change stimulated by FDI inflow exerted pressure on increasing job flexibility.

Conclusions

Despite initial differences between "shock therapy and gradualism", similar transformation steps were carried out in all the new Member States. The transformation to a market economy and democracy was fast in terms of historical pace. By the time of EU accession, transformation to a market economy and democracy was by and large over. All countries have basically competition-driven and private ownership-based economies similar to the European average or even beyond.

The speed of transformation benefited the dynamic segments of society. For a large part of the population it must have been a challenge impossible to cope with. Increasing economic-social differentiation and segregation appeared which can lead to lasting political tensions. But how these tensions are treated by society and politics are questions in themselves, not necessarily linked to the economic changes which contributed to their emergence.

Despite overall similarities, important differences remained between the most liberal Estonian way and the more nationally oriented Slovenian way. The other countries are in-between in terms of

[1] Foreign investment enterprises are those companies which are covered by the FDI questionnaires. They are companies with more than 10% ownership of a single investor. See for details Hunya, 2004.

the role of the budgetary sector, foreign ownership, etc. As Bohle and Greskovits (2007) put it: "Three capitalisms emerged from the transformation of Central-East European (CEE) societies: a neo-liberal type in the Baltic States, an embedded neo-liberal type in the Visegrád states, and a neo-corporatist type in Slovenia."

Some countries have changed their position in the "transformation race" over time. The following two examples seem to be striking. First of all, early rapid transformation in Hungary (FDI-oriented privatization, strict bankruptcy law in the early 1990s) gave way to less business friendly policies (complicated taxation system, inefficient public governance). Severe mismanagement in the form of lax fiscal policy made the 2006-2007 stabilization unavoidable. As a result, Hungary now has the slowest pace of economic growth among the new Member States.

Secondly, in the Czech Republic and Slovakia, on the other hand, hesitant reforms and mass privatization delayed transformation. But later it gave way to policies which were more liberal and welcoming of foreign capital. A reform of public services in Slovakia together with other business friendly innovations in the first half of 2000 put the country to the top of reformers. Currently Slovakia enjoys the fastest rate of economic growth among the new Member States.

Economic transformation between and also within the various countries took place in an uneven way :

- Reforms affected mostly those parts of the economic system which could be easily put under market control. In this part of the economic system competition prevails and efficiency is enhanced;
- The state-controlled part of the economic system has gained much less in efficiency;
- Public governance functions poorly in comparison with corporate governance;
- Reforms of public governance have not been carried out with the same coordinated effort as economic transformation (Donelan, 2006).

Successful state withdrawal is only part of the task. There is also a need for structural reforms which would increase the efficiency and sustainability of public services (institutions, procedures, financing).

As a third part of the system, a private economy appeared which is linked more to the state system than to the market controlled one. This is often the hot-bed of corruption.

Finally it must be noted that many of the problems the new Member States currently face are similar to those of the old EU Member States. Economic and social challenges stem mainly from population aging, globalisation and local economic policy mismanagement. The new Member States with less developed social and political systems may be less well prepared to solve these problems, at the same time they may be even more courageous to take bold steps.

Literature

Bohle, D. and B. Greskovits (2007), "Neoliberalism, Embedded Neoliberalism, and Neocorporatism: Paths towards Transnational Capitalism in Central-Eastern Europe", *West European Politics*, Vol. 30, No. 3. pp. 443-466.

Damijan, J, and M. Rojec (2007), Foreign Direct Investment and Catching Up of New EU Member States: Is There a Flying Geese Pattern? *Applied Economics Quarterly*, Vol. 53, No. 2.

Donelan, E. (2006), Assessment of Regulatory Management Capacities in New EU Member States, *SIGMA Update*, Issue 13.

Gligorov, V. and S. Richter at al. (2007), High Growth Continues, with Risks of Overheating on the Horizon, *wiiw Research Report* No. 341, The Vienna Institute for International Economic Studies (wiiw).

Hunya, G. (2004), Manufacturing FDI in new EU Member States – foreign penetration and location shifts between 1998 and 2002, *wiiw Research Reports*, No 311, The Vienna Institute for International Economic Studies (wiiw).

Hunya, G. (2007), Shift to the East, WIIW Database on Foreign Direct Investment in Central East and Southeastern Europe 2006, The Vienna Institute for International Economic Studies (wiiw), Vienna.

Kornai, J. (1994), "Transformational Recession: The Main Causes", *Journal of Comparative Economics*, Vol. 19, No. 1. pp. 39-63.

Naim, M. (1999), "Fads and Fashion in Economic Reforms: Washington Consensus or Washington Confusion?", *Foreign Policy Magazine*, October 26.

Ruane, F. and A. Ugur (2006), "Export platform FDI and dualistic development", *Transnational Corporations*, Vol. 15. No. 1.

Post-communist Transition, EU Accession and its Social Consequences

Michael Dauderstädt

The collapse of communist regimes has opened up the economies and societies of Central and Eastern Europe (CEE). The trajectories of transition have been to a large extent shaped by the prospect of EU membership. Internal economic transformation and external adjustment pressures by the EU and the world economy have caused massive social change in the CEE which in turn influenced political developments there.

Different transitions

The post-communist societies of the CEE underwent at least three, and in most countries even four simultaneous transitions:

- From federal state to national independence (defining citizenship, territory, currency, polity in the Baltic states, Czech and Slovak Republics, Slovenia);
- From party dictatorship to democracy;
- From a socialist planned economy to a capitalist market economy;
- From a closed economy to an open economy (integrated within the EU and the global economy).

These transitions are to some extent interdependent and mutually reinforcing. But EU accession partially reversed the first transition (independence) while it supported the second (democracy) and largely shaped the other two (market and integration). The tensions between accession and transition are clearer now than before accession. Although EU membership narrows the corridor of possible transitions and the types of capitalism which result from these

Dr. Michael Dauderstädt is director of the Division for Economic and Social Policy of the Friedrich-Ebert-Stiftung, Bonn. This paper includes revised versions of three slides presented by Tomáš Sirovátka within his presentation "Social Challenges Arising from Social Trends – Czech Republic" at a FES/CESES conference on "The New Social Europe" in Prague on December 7, 2007. The last section includes parts published earlier by Michael Dauderstädt "The Communist Successor Parties of Eastern and Central Europe and European integration", in: Communist Studies and Transition politics, Vol.21, March No.1 (2005).

transitions the CEE show a substantially differentiated spectrum of capitalisms. Following the "Varieties of capitalism" theory by Hall and Soskice, one can differentiate between coordinated and market capitalism. Applying this to the varieties of post-communist capitalism in the CEE (following Bohle and Greskovits; see source below Table 1), three types can be identified:

- Neo-liberalism (Baltic states);
- Embedded Neo-liberalism (Visegrad 4: Poland, Czech Republic, Slovakia and Hungary);
- Neo-corporatism (Slovenia).

Table 1 gives some basic characteristics of these three varieties with regard to economic performance, government policies (role of the state) and social structure, in particular the role of trade unions. Generally, the roles of the state and the trade unions tend to be weakest in the neo-liberal Baltic and strongest in neo-corporatist Slovenia with the Visegrad countries ranging between these extremes.

Table 1: Varieties of CEE capitalism

	Baltics	**Visegrad 4**	**Slovenia**
Industrial Growth / year	-1,5 %	4,6 %	1,0 %
Manufacturing FDI stock/cap	77 US$	744 US$	198 US$
Social spending / cap	1228 € PPP	2298 € PPP	3920 € PPP
Collective bargaining	14-23%	34-43%	91-100%
Government debt (of GDP)	13,5%	45,9%	29,3%
Government expenditure (of GDP)	34,3 %	46,4%	48,1%

Source: Bohle, Dorothee, Greskovits, Bela, 2007: Neo-liberalism, Embedded Neo-liberalism and Neo-corporatism: Towards Transnational Capitalism in Central-Eastern Europe. West European Politics, Vol. 30, No. 3, May 2007, p. 443 – 466.

Regardless of the specific variety of capitalism chosen, economic transition implied a massive redistribution of labour and income. The socialist economy was characterised by low productivity protected from competition, full employment, low nominal wages and low prices for basic consumption (food, housing, plus free healthcare and education) resulting in relatively decent real wages and real pensions. Introducing market prices and productivity-oriented wages implied welfare losses (low real wages and pensions) which were only partially compensated by the distribution of assets such as housing.

The opening of the CEE economies and their integration within the EU changed the market positions of different groups of the population due to factor mobility. On the one hand, foreign capital acquired substantial parts of the assets of the national economy. On the other hand, domestic labour, in particular the young and well qualified, gained access to foreign markets through migration. Productivity increased rapidly while wages, in particular in the domestic sector, followed but slowly. In the end, inequality increased due to increasing wage disparity between those with access to jobs which are well paid in comparison to the national average – such as jobs abroad or within foreign firms – and those working in the traditional domestic sector.

Social effects of economic transformation and EU accession

The immediate social consequences were severe. The transition caused a strong recession when major industries collapsed. Unemployment soared albeit still mitigated by the wide-spread use of early retirement. Income inequality and poverty, which had been as unknown as unemployment, increased too. Subsequently, employment rates are still much lower in the new CEE Member States than in the old EU-15.

There are significant differences between countries, however. Unemployment has been particularly high in Poland and Slovakia. Slovakia is also the country most strongly affected by poverty, probably resulting from the radical reforms of the tax regime (flat tax). Hungary and the Czech Republic are much less unequal societies.

Table 2 confirms that analysis, showing low rates of poverty risk – even by EU standards – in Hungary and Czech Republic, with Slovakia being a relatively severe case.

Table 2: Social performance of selected CEE countries in comparison with old EU Member States

	DK	GER	UK	POR	SK	PL	HU	CR
Risk of poverty	+	+	-	--	--	-	++	++
Poverty gap	+	+	-	-	--	-	++	++
Deprivation in seven selected dimensions	+	-	+	--	-	--	--	-
Long-term unemployment women	++	-	++	+	--	--	+	-
Long-term unemployment men	++	--	+	+	--	--	+	-
Unemployment 15 - 24 years	++	+	+	+	--	--	+	-

Source: Atkinson quoted by Tomáš Sirovátka in Prague 2007

Unemployment and poverty are also unequally distributed in regional terms. While western regions close to the old EU and the national capitals benefited, regions in the East of the CEE were much worse off. Huge nominal income differences are somewhat mitigated by lower prices in poor regions. Together with the economic effects of transnational market integration, this process creates winners and losers. The winners are the mobile, young and qualified in foreign languages and other skills important to knowledge economies, while the losers are those stuck in declining regions, old, and either not qualified at all or with obsolete qualifications.

Political responses to social problems

The governments reacted to the social crisis resulting from transition by increased social spending. Liberal observers such as Kornai thus spoke of "premature welfare states" as the share of social spending as a proportion of GDP in the CEE had reached levels otherwise only known in countries with much higher per-capita income. Nonetheless, social spending is still below EU average as table 3 shows.

Table 3: Social spending in percentage of GDP (2004)

Country	Active LM policy	Unemployment compensation	Soc excl, housing	Children family	Total soc. expenditure
SWE	1,2	1,3	1,2	3,0	31,6
DK	1,8	2,7	1,7	3,9	29,7
FR	1,0	1,7	1,3	2,5	29,4
Average EU	0,8	1,3	0,9	2,1	26,8
UK	0,5	0,3	1,7	1,7	25,8
HU	0,3	0,4	0,5	2,5	20,3
PL	0,2	0,8	0,2	1,6	19,7
CZ	0,3	0,3	0,6	1,6	18,9
SK	0,2	0,3	0,5	1,8	16,5

Source: Eurostat, OECD quoted by Tomáš Sirovátka in Prague 2007

That amount of social spending has notable effects on poverty which is more pronounced in Hungary and the Czech Republic than in Slovakia or Poland (see table 4).

Table 4: Effectiveness of redistributive policies
in CEE in comparison to other EU Member States

Country	Poor before transfers	Poor after transfers	Effectiveness in reducing poverty
Hungary	29	13	55
Czech Rep.	21	10	52
Slovakia	22	13	41
Poland	30	21	30
Germany	24	13	46
Austria	24	12	50
Portugal	26	20	23
Sweden	29	9	69
EU 25	26	16	38

Source: EU SILC quoted by Tomáš Sirovátka in Prague 2007

Although the losers from modernization and integration are less badly off in some countries (Hungary and Czech Republic) than in countries without compensating policies, they form a substantial reservoir of disgruntled people which are a fertile ground for populism and extremist politics.

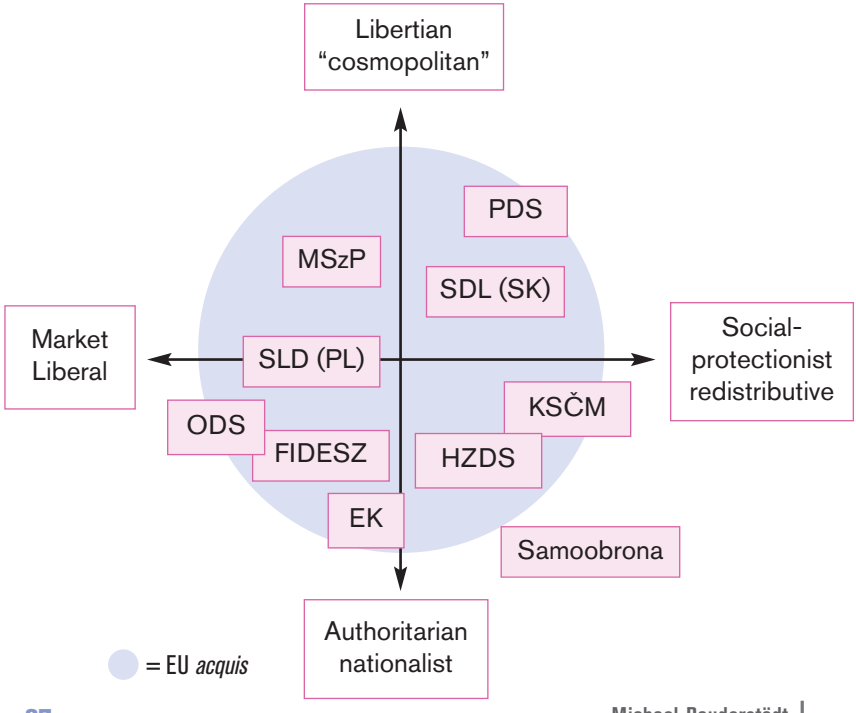
Political repercussions: The risks of nationalist populism

Transition promised wealth and economic development. Actually, incomes declined strongly before eventually growing beyond their 1989 level. Social policies hardly coped with the social effects of economic crises. Thus it is not surprising that the population in the CEE has been disgruntled and disenchanted with the development of democracy and the market economy. Very few governments have been re-elected since 1989. Electoral swings were substantial and party systems often unstable when new parties tried and succeeded to benefit from the popular disappointment with traditional parties. However, the political changes caused very few substantial

policy changes as capitalist reforms continued. Significantly, this kind of political instability, which was often accompanied by a surge of nationalist and/or authoritarian parties, has been most prominent in Poland and Slovakia where social conditions (unemployment and poverty) were most problematic.

EU membership combines challenges regarding economic and social conditions and regarding national sovereignty and autonomy. The political parties in the CEE have therefore had ambiguous attitudes towards accession. While only a few parties were openly opposing accession many supported policies and values hardly compatible with EU membership. Figure 1 provides a scheme to categorise these relations. The grey circle represents the political positions permissible within the framework of the *acquis-communautaire* and the Copenhagen criteria. It leans towards market-liberal orientations, since the EU is at present characterised more by market integration than by supranational market regulation and redistribution. Before the Amsterdam Treaty the position of the EU circle was even more inclined in this direction.

Figure 1: CEE political parties in the European political field



The parties shown in figure 1 illustrate this point. They have positions which are either fully EU compatible (for example those of the Hungarian Socialist Party MSzP) or more or less in conflict with European positions in one direction or the other, such as the Hungarian FIDESZ, the Czech ODS, Vladimir Meciar's HZDS in Slovakia, the Czech communists, or the Estonian Centre Party EK – which before the Estonian referendum called on the voters to reject accession – or which lie well outside the EU consensus, such as Andrzej Lepper's Samoobrona in Poland.

The Rise of Populism

Anton Pelinka

Populism is not a new phenomenon

The term "populism" has different roots. Many social movements, even before World War II, have to be seen as "populist": In the Americas, both North and South, especially in the agrarian sectors of society; in Russia, where 19th century "Narodniki" can be called early populists; many dimensions of the early European anti-capitalist movement had a certain populist flavour; early fascism – especially in Italy – used techniques very similar to Sorel's syndicalism. You can even go back to the conflicts in the Roman Republic to find a certain "populism" before the republic perished. Populism is as old as democracy itself. Populism exists at least as a pretext to organise politics in a democratic manner. Populism is the claim to raise "the people" against "the others" – against rulers, the political class; and/or against those who are not seen as part of the people, against those seen as "foreign", as "alien".

Populism is first and foremost not defined by a specific program but by a specific technique: mobilising people against "them" above: against parliament and government, against political parties, against elites, against any form of representative government, of representative democracy. Contemporary populism is characterised all over Europe by its cry for more democracy: more democracy in the sense of plebiscites, of referenda. The debate about the ratification of the European Union's Reform Treaty is the most recent example.

But this radical democratic battle cry has potentially negative aspects. The pseudo-plebiscitarian policies of different kinds of dictators – especially both Bonapartes – are the classic examples of how populism can be exploited and instrumentalised by manipulated plebiscites. Modern dictators claim to respond to plebiscitarian demands.

By stressing the plebiscitarian against the representative component of democracy, populism is majority-oriented and tends to define democracy as majority rule. This leads to the populist tendency to play down or ignore the basic rights of individuals and minorities –

Anton Pelinka is professor of political science and nationalism studies, Central European University, Budapest.

be they ethnic, linguistic or religious minorities. As liberal democracy is based on the principle of majority rule as well as on the principle of minority protection, this aspect of populism, creates at least tensions between liberal democracy as it is understood today and any kind of populist agenda: Liberal democracy is not just government by the majority – it guarantees at the same time protection of minorities and individuals.

All these aspects do not really justify the construction of a special category of "right wing populist parties". European parties representing the contemporary populism of the political right are in many cases the offspring of rather old parties considered in the past to be post-fascist. The post-fascist type of populism is characterised by insisting on special narratives of national victimisation especially in the context of World War II and of nationalist authoritarian tendencies. There are some cases of a new beginning – like the Dutch Lijst Pim Fortuyn (LPF) – which have not mixed their anti-immigration and anti-European agenda with an emphasis on reconstructing and retelling the history of the first half of the 20th century. But many of the right-wing populist parties are rooted in an antidemocratic past – like the Italian splinters of the neo-fascist MSI; like the Austrian FPOe; like the German NPD. Others are not to be defined by such a past.

Populism is not anti-democratic per se

Populism is characterised by the claim to represent and articulate the true wishes and interests of "the people". This is one reason why populism should not be automatically put into the basket of anti-democratic phenomena. The other reason for the need to be careful is the history of leftist populism. The Commune in Paris and the first concepts of a council democracy, later completely turned upside down by the Soviet Union, were based on a radical democratic assumption with a clear populist direction. This was to control the deputies, who have to speak for "the people", the deputies have to be bound first by the "imperative mandate" and, secondly, by the right of recall. These radical democratic movements of the early 20th century had a robust suspicion of democratically elected representatives, who – according to Robert Michels – tend to develop specific self-interests very different from the interests of the people.

Populism in Europe today has to be seen as populism directed against established representative democracies. It is not like in the past aimed at the Tsarist regime as was the situation in Europe and the US before equal voting rights for every citizen were introduced. The anti-representative, anti-elitist energy of populism in Europe today is the protest against the structures of stable liberal democracies whose electoral process must be seen to be fair and whose impact on the government is evident. Europe today is a continent defined by liberal democracies. The European Union is the semi-federal alliance of liberal democracy. The populist momentum in the European Union cannot be seen as a cry for more democracy – it is a protest against specific aspects of liberal democracy in general and the European Union in particular i.e. a protest against the implementation of basic human rights including the rights of immigrants; a protest against the trans- or post-national elements the EU is characterised by. And, of course, European populism today is a protest against the effects of globalisation the European Union is held responsible for.

Populism today claims to speak for the majority – against political elites as well as against different kinds of minorities: ethnic minorities, religious minorities, migrant minorities. Populism today expresses a much too simplistic understanding of democracy. But its pretension is to be for more – not for less democracy.

Populism can and must be explained by analysing cleavages

To understand the present populist trends it is helpful to use a variation of Stein Rokkan's, Seymour Martin Lipset's and others' cleavage theory. European societies should be seen as split along definable divides. Significant tendencies can be observed helping to explain and to understand contemporary populism. The social divisions explain why certain segments of European societies are disproportionally inclined to follow the populist battle cry – against the "them" in Brussels, against the "them" in their national governments, against the "them" who are seen responsible for the shift of economic power, and against the "them" who are considered foreign.

The empirical data to prove the plausibility of the hypotheses and, at a later stage, the validity of the different explanations for contemporary populism are political behaviour (especially voting behaviour), political attitudes measured by public opinion polls, political manifestos, and political rhetoric. We can distinguish three different gaps:

The gap between modernisation losers and modernisation winners, especially explained by the differences between Europeans with and Europeans without higher education: As Europeans without higher education have, understandably, reasons to see general social and especially economic trends working against their interests, they tend to follow the simplistic explanations which populist movements and parties are eager to provide.

The gap between the political centre and the fringes of the political system: Voters traditionally inclined to follow extreme right and extreme left parties are more tempted to be convinced by populist rhetoric. The main objects of populist rhetoric are Social Democratic and Christian Democratic or Conservative parties which are seen, for good reasons, as the architects of Europe's political landscape.

The gender gap: All electoral data demonstrate that right wing populism attracts significantly more men than women. Rightist populism is first and foremost a male phenomenon. The typical voter preferring a right wing populist party is less well educated – and male. In that respect, right wing populism fits neatly into an old pattern: Extremism of any kind and right wing extremism in particular reflects gender bias.

The present wave of right-wing European populism is based on the fears of modernisation-losers

The consensus between the moderate left and the moderate right in Europe has been responsible for the democratic social and welfare state's success story after 1945. For reasons which are not primarily the result of the decline of that consensus, this model of combining political freedom with social security has started to crumble. The victims are those who are less able to secure their – relative – prosperity within an economy which is now less checked by social policies on national level.

All the data regarding the constituency of this kind of populism demonstrate one characteristic feature: Populism is the voice of those who have already become or who fear becoming the victims of an economy which is less controlled and controllable by national governments than in the past. The main attribute defining which segment of society has reasons for an optimistic or a pessimistic outlook is education: Europeans with higher education see themselves disproportionally, not as victims of the modernization process, but perceive their present and future role as profiting from Europeanization, globalisation, and modernisation in general. The shift in electoral behaviour in countries like France or Austria is significant: The Front National and the Austrian Freedom Party have become – in relative terms – the parties with the highest numbers of followers without higher education. As education defines social status including income, you can argue that right-wing populism is a proletarian phenomenon.

This is a dramatic challenge to traditional left parties which claim to represent the grievances of the disadvantaged segments of society; and especially to their tradition as the parties of the working class. It is also a significant reversal of the old assumption that blue collar workers are the most reliable part of the electoral coalition built by socialist parties: This is not the case any longer. If there is a working class, then its majority in most of the countries of contemporary Europe no longer votes for the traditional left.

The first of the most visible aspects of right-wing populism in Europe is xenophobia

European contemporary populism represents those Europeans who have nothing to lose but one prerogative: membership of what is still a highly privileged club, called national citizenship – be it German, Italian, Danish or Czech. This privilege seems to be challenged. Millions of people are living in Europe today legally without having access to membership in any of these clubs. Those who are in – and especially those who have, in relative terms, nothing left from old entitlements but citizenship – are strongly opposed to the very idea of opening the doors for migrants: whether by lifting the country's borders or by giving access to club membership.

This is the decisive difference between the radical democratic populism of the past and right-wing populism of the present: Today, the populist phenomenon in Europe is highly exclusive and anti-egalitarian. Populist energy today is not only directed against "them" above but also and even more against "them" outside the privileged club. Populism may have a radical democratic potential in the sense of a strong egalitarian philosophy. But the populism we are talking about today is not favouring inclusiveness – it favours exclusiveness.

Xenophobia is based on the construction of "the other": It can be "the Jew"; it can be "the Black African"; it can be the "gipsy" or it can be any kind of more or less visibly different person or group. As contemporary societies are defined by diversity, it is not the existing diversity that creates "the other"; but the need of a particular in-group to create an outsider as a scapegoat – the foreigner, or any other kind of "other". This need is strongly correlated with social security, with social status: the less secure a person feels, the more he/she is inclined to construct such an otherness. Contemporary populism uses this inclination; contemporary populism is – to a significant extent – the product of the decline of security of status.

The xenophobic element, in combination with nationalism, is the link between contemporary right wing populism and the more traditional right wing extremists. Perhaps not necessarily, but de facto right wing populism more often than not includes a revisionist attitude: the negative role of authoritarian or totalitarian regimes in the nation's past is played down. Mussolini and Tiso, Horthy and Antonescu, Pavelic and Franco are defended. The Holocaust, or at least decisive parts of it, is denied as the rhetoric of Jean-Marie Le Pen demonstrates.

The second aspect of right-wing populism in Europe is opposition against European integration

The European Union is – in the view of populists – not an instrument to win back the political power to counteract the forces of the globalizing economy but one of the causes of that process. The anger of modernization-losers is therefore directed against the European Union as such. And through this, populism finds an ally – nationalism.

As we have to see the process of European integration as an attempt to tame and to overcome European nationalisms, European nationalisms are an important element within any anti-European agenda. The fear of the modernisation-losers and the fury of nationalists of all the different national flavours are allied within the right-wing populist parties. The Front National and Vlaams Belang, the Bulgarian Attaka and the Austrian Freedom Party are the hard core of this mix of xenophobic nationalism and anti-European sentiments. The opposition against European integration seems to be the most significant unifying factor – because otherwise an alliance of nationalisms could not work, would not work, due to the contradictions between, for example, German and Polish, Hungarian and Romanian, Flemish and Walloon, Greek and Bulgarian nationalism.

This is once more linked to the data we have regarding the divide between educated and less educated Europeans: The more highly educated Europeans are, the less they are defined by Euroscepticism – by the tendency to oppose the European Union generally and their own country's EU-membership. Most of the data explaining the rise of Euroscepticism underline the divide between a more Euro-optimist attitude of the elites and a more Euro-pessimist attitude of the non-elites. In the late 1990s, the gap between the elites and public opinion became deeper. The clear majority among the national elites (defined as political, administrative, socio-economic, media and cultural elites) saw the EU-membership of their respective countries positive and backed the view that their countries profited from membership. Public opinion had the opposite view: a majority in most of the countries saw membership and benefits negative.

In the French referendum of 2005, the group with the highest degree of "yes" votes were "professionals" and students. Social status defined by higher education and higher income – in other words, a rather elitist status – is correlated with a more pro-EU attitude. The "modernisation winners" are the backbone of Euro-optimism – the "modernisation-losers" the backbone of right wing populism.

What is to be done?

There is good news for liberal democracy: The in-built contradictions between the different varieties of European nationalism

prevent any kind of Pan-European grand strategy which right wing populism will be able to develop. The bad news is that the common denominator populist nationalist parties have – the opposition to European integration, and especially against the two logics European integration has been defined by, against widening and deepening – seems to be strong enough to have negative consequences for the future of European integration. Unable to be constructive, right wing populism may be successful enough in derailing further steps in the integration process.

To deal with this, we have to consider one further, one special divide: There is a special kind of rightist populism in post-communist Europe, in many ways different from right-wing populism in "old Europe". Populism in Central and Eastern Europe is especially defined by the term "re-unification of Europe" – a term, used not only by the far right but by mainstream parties in former communist countries as well. To see the process of European integration as "re-unification" is a complete misunderstanding of what the European Union stands for: The EU is based on a complete new design and cannot be seen as the renaissance of a pre-fascist and pre-communist Europe. But this misunderstanding indicates an existing attitude: For former communist countries, joining the European Union does not imply an end to the concept of a fully sovereign nation state; it implies the final liberation from dictats coming from a foreign centre, coming from Moscow. This is the reason why in some of the former communist countries – most notably the Baltic republics – the basic rights of Russian minorities in particular is sometimes not seen as a principle of liberal democracy but as the heritage of former foreign domination.

There is no single recipe for dealing with right wing populism. Strategies vary from case to case. But there is at least one consistent strategy which can be observed in the Belgian case and the French case: This is the *cordon sanitaire* which moderate parties of the right, the centre, and the left have built to separate the democratic forces from parties like Vlaams Belang and Front National. In Germany, the same attitude can be seen regarding parties like NPD and DVU: There is a broad consensus that these parties are entitled to compete for seats in parliament; but they are not acceptable partners to form coalitions, not even electoral coalitions. This seems to have worked especially in the French case: Despite representing

sometimes up to 20 percent of the French electorate, the FN never had a chance to negotiate with the mainstream parties – either about electoral arrangements, so important in the French electoral system, or about a possible cooperation in parliament.

This strategy may not work in all cases. And it is not a strategy all moderate parties can agree: See, for example, the cases of the inclusion of right-wing populist parties into the Austrian coalition government 2000 (FPOe) and the Slovak coalition government 2006 (SNS).

An extremely difficult aspect is the electoral response the left and right mainstream parties should formulate: Should they – Socialists, Conservatives, Liberals, Greens – try to compete for the populist potential by using populist rhetoric, by pandering to the fears of modernization-losers? The answer is yes and no.

Yes: Social Democrats, Christian Democrats, Liberals, and Greens have to take the fears of the modernisation-losers seriously. As these fears are based on economic tendencies threatening the social status of significant segments of European society, the European mainstream has to define answers to these tendencies. But as the answers cannot be a simple return to the good old days of the national welfare state, mainstream parties could and should strengthen the credibility of the only possible answer: The response to modernisation cannot be less, it must be more Europe. The European mainstream must actively work on a European response in form of a coherent European social policy.

No: as European mainstream parties cannot dissociate themselves from the European Union; they cannot play the xenophobic card; they cannot give in to the battle cry of a revived nationalism. This "No" has two reasons: First, it would, in the end, corrupt parties like Social Democrats and destroy their internal and external credibility; and, secondly, it would alienate social segments which are – in the long run – quantitatively more important than the modernization losers: The modernization winners – in their own interests – would not follow mainstream parties back into the trap of a nationalist agenda.

But in the end, any strategy comes down to education and information. We can see the correlation between the lack of higher education and populism; we can see the correlation between the

fear of the modernisation losers and the rise of populist parties: What can be done is to emphasize education. Better educated Europeans are better able to resist populist simplifications, to look behind the "us"- and "them"- rhetoric of populism. In the short run, it may make sense to discuss and to agree on a *cordon sanitair*e. In the long run, the decisive instrument against populism is the immunization of the people – by information, by education.

Literature

Aarts, K.; Van der Kolk, H.: Understanding the Dutch "No": The Euro, the East and the Elite. In: *PS: Political Science and Politics.* April 2006, Vol, XXXIX, No.2, 243 – 246.

Betz, H.-G.: Radical Right Wing Populism in Western Europe. New York 1994 (St.Martin's Press).

Brouard, S.; Tiberj, V.: The French Referendum. The Not So Simple Art of Saying Nay. In: *PS: Political Science and Politics.* April 2006, Vol.XXXIX, No.2, 261 – 268.

Caramani, D.; Meny, I. (eds.): Challenges to Consensual Politics. Democracy, Identity, and Populist Protest in the Alpine Region. Brussels 2005 (Lang).

Harmsen, R. Spiering, M. (eds.): Euroscepticism. Party Politics, National Identity and European Integration. European Studies, vol.20. Amsterdam 2004 (Rodopi).

Kitschelt, H.; Mansfeldova, Z.; Markowski, R.; Tóka, G.: Post-Communist Party Systems. Competition, Representation, and Inter-Party Cooperation. Cambridge 1999 (Cambridge University Press).

Kitschelt, H.: The Radical Right in Western Europe. A Comparative Analysis. Ann Arbor 2000 (University of Michigan).

Norris, P.: Radical Right. Voters and Parties in the Electoral Market. Cambridge 2005 (Cambridge University Press).

Luther, K.R.; Müller-Rommel, F. (eds.): Political Parties in the New Europe. Political and Analytical Challenges. Oxford 2005 (Oxford University Press).

Mudde, C.: The Ideology of the Extreme Right. Manchester 2002 (Manchester University).

Mudde, C.: Populist Radical Right Parties in Europe. Cambridge 2007 (Cambridge University Press).

Wodak, R.; Pelinka, A. (eds.): The Haider Phenomenon in Austria. New Brunswick 2002 (Transaction).

Faces of Populism in Central and Eastern Europe

Jean-Michel De Waele

The political scene in the former "people's democracies" which joined the European Union in 2004 and 2007 appears to be experiencing a new phase of destabilisation, serious political tension and uncertainty. Observers note a rise in populism throughout the region. This new phase is connected with EU accession, and we therefore need to ask ourselves whether there is a post-accession crisis.

The underlying reasons for the rise of "anti-system" parties are many, and in the space available we cannot deal with them comprehensively or in detail. We will therefore concentrate on populism, the evidence of disturbing political developments, and the relationship between the weakness of the parties on the left of the political spectrum and the rise of populism in the region.

Problems with the use of the term populism

The term populism is currently enjoying a great journalistic vogue, and is constantly trotted out to describe a whole range of very different political trends. Everyone is called populist nowadays: the extreme right is populist, Berlusconi is populist, and so are Lukashenko in Belarus and Putin in Russia.

It is striking that during the last French presidential campaign, all the following were described as populist: Royale and her "*rencontres participatives*", Sarkozy's campaign style and promises, François Bayroux and his denunciation of the parties in power, and Besancenot too for good measure. In short, any kind of response to the crisis of representative democracy is seen as being populist.

The term has become so hackneyed that it is by now virtually meaningless. We need to agree as to what we mean by populism. It is neither a fully worked-out ideology nor a world-view. There are lots of versions of populism, and it can be either right or left wing. It is not a political programme, but a way of talking, a discourse, a form of rhetoric which can be reduced to two salient characteristics: the denunciation of elites and the defence of an imaginary "people" on

Jean-Michel De Waele is Professor of political science at the Université Libre, Brussels.

whose behalf the leader speaks and denounces the behaviour of corrupt elites. The other essential characteristic of populism is that it puts forward facile solutions, which are supposed to be fast-acting when it comes to dealing with social and economic problems.

It seems scientifically false, and politically dangerous, to create a broad category of "eurosceptic-populist-extreme right-wing, anti-democratic" political parties, as to do so is to indulge in extreme simplification and throw a whole lot of different kinds of problem into one catch-all pot. For it is perfectly possible to be a totally democratic eurosceptic, and to be a populist without being ultra-right-wing, etc.

Likewise – Anton Pelinka has demonstrated with admirable clarity – populism is not necessarily anti-democratic. It often emerges in societies where the man in the street feels a need for more democracy, or for more effective democracy.

Given all this confusion, the use of the term "populist party" should be avoided. The term "anti-system party" is preferable, since it is less laden with connotations and also less elastic. On the other hand, forms of rhetoric and solutions being advocated can indeed be described as populist, if they oppose a "healthy" people to "corrupt" elites, and put forward simple solutions which are supposed to fix problems for the benefit of the people as a whole.

A post-accession crisis

After undergoing fairly rapid democratic and party-political stabilisation, the countries of Central and Eastern Europe have now entered a new, unstable phase, which has worsened since they joined the EU. This is not the place to examine how accession relates to the crisis, but we can non-exhaustively review the indicators of this destabilisation of the party system. In Hungary, following the Prime Minister's open acknowledgement that the election campaign had been full of "lies" about the real state of the economy, there were aggressive demonstrations outside the Parliament buildings. Orchestrated by the right-wing opposition, these demonstrations were joined by ultra-right-wing anti-Semitic groups brandishing the insignia and flags of the Second World War Hungarian fascists, and gave the demonstrations a populist, violent and anti-democratic edge. Normal democratic debate was moved out

into the street and, symbolically, in front of the Parliament building which the most extreme demonstrators tried to take by assault. The goal of the demonstrators was to use the streets to bring about the fall of the government, showing just how little the party of the former Prime Minister Viktor Orban cared about democratic and parliamentary procedures.

In Poland, the arrival in government of the Kaczynski brothers in 2005 led to the country's international isolation and major domestic tensions. Poland was in a state of permanent political crisis, and no political reforms were undertaken. The country fell prey to a conservative and reactionary moral order, thanks to the constant blackmail carried out by the radically right-wing anti-Semitic political parties within the League of Polish Families and the agrarian populists of the Samoobrona. Political instability was chronic, with the constant threat of early parliamentary elections, which the government desperately tried to avoid.

The victory of the civil platform profoundly changed the climate, but we need to wait and see whether this platform, made up of very different political currents, will be able to maintain its organisational unity, or will fall victim to the malaise of the Portuguese right-wing, namely splits and divisions.

In the Czech Republic, the 2006 elections led to a perfect 50:50 split between two large blocs, each with 100 MPs. The situation was only broken when two Social Democrats changed sides. The majority, comprising the liberal right, the Christian Democrats and the Greens, remains fragile. The least absence of a single MP could overturn the majority, which leaves each and every MP with considerable powers of blackmail. The 2008 presidential election by the members of both houses took place in a particularly damaging climate of rumours that MPs were being bought and of blackmail over records of collaboration with the communist regime's secret police, or of corruption.

In Slovakia, the 2006 elections led to the formation of a coalition without parallel in Europe, between the social democrats of SMER, the populist HZDS and the extreme right-wing SNS. The last named party is racist, anti-Semitic and ultranationalist, and takes a positive view of the Second World War when Slovakia enjoyed its first period of independence, under a fascist regime. The social

democrats were therefore, for a time, suspended from their membership of the Party of European Socialists.

Bulgaria is also in a difficult political situation; the political and economic failures of the right wing and of the democratic right have led to a surge in support for two very different anti-system parties. There has been a shift from the democratic, pro-European populism advocated by the King/Prime Minister, Siméon of Saxe-Cobourg, to the racist and anti-semitic version propagated by the Ataka movement, which is currently in competition with the GERB movement headed by Borissov, the Mayor of Sofia, a former bodyguard to the communist dictator Zhivkov as well as a karate champion. He owes his success to his authoritarian tirades against corruption and the elites. The discredit of the traditional parties is considerable, and only populist – and frequently nationalist – parties appear to be capable of doing well in elections.

Finally, the political situation in Romania is likewise unstable, thanks to the pitiless war being waged between two former allies, President Traian Basescu, supported by the Democratic Party, and Prime Minister Tariceanu, supported by the National Liberal Party, who rapidly split over power sharing and the control of economic sectors by their respective clienteles. Each side accuses the other of corruption. Institutional issues occupy virtually the entire political agenda, along with the recurrent debate as to the presence, at various levels of the administration, of collaborators with the *Securitate*, the communist secret police. The opposition, with the help of the Prime Minister, has attempted to unseat the President, while the latter is trying to change the way elections are held. It is impossible to find any ideological or policy differences between Romania's major political parties, which defend private interests, rather than putting forward their visions of the country's future.

Twenty years after the fall of the Berlin Wall the region's political parties remain organisationally weak, and are equally weak when it comes to functioning as relays between the population and the government, or in presenting policy-making. On the other hand, given the persistent weakness of civil society, the parties enjoy a significant degree of power, frequently bound up with economic and financial interests. The weakness of democracy can be explained, inter alia, by this combination of a weak civil society and political

parties which, while organisationally and ideologically weak, exercise considerable power over the decision-making process. Most of these countries could be described as "partytocracies", a democracy in which civil society is weak, making the political parties the only effective players. The political parties are weak, but possess considerable political power.

Over and above the difficulty posed by representing structured social interests, central Europe's political parties have also failed with regard to putting forward cogent public policies to resolve their countries' problems. Many of them have simply been content to implement the demands of the European Union regarding preparation for accession, without promoting a forward-looking vision for education, housing, scientific research or social security.

Populism and the weaknesses of the left

There are all sorts of reasons underlying the destabilisation of the party-political system, and the success of anti-system parties. Some of these reasons apply right across Europe. Others are specific to Central and Eastern European countries, which have had to go through three inter-related transitions simultaneously: economic transition, political transition and the transition to a globalised world. Many of their citizens have lost their bearings. People are fearful about the future in all sorts of ways. These countries have experienced changes of parties in government, without being offered any political alternatives.

Far-reaching social and economic changes have divided society into those who have benefited from the transition and those who have lost out. This is a major challenge for the region's left wing parties. To date, the anti-system parties have presented themselves as the defenders of those who have lost out. We therefore need to understand the difficulty experienced by the left wing parties in showing that they also represent those who have lost out from the transition.

Following the fall of the Berlin Wall, Central and Eastern Europe's communist parties underwent a complex process of ideological and organisational transformation. With few exceptions, "social-democratisation" was chosen as the preferred strategy for adapting to the demands of the transition and, in its wake, of European integration.

The speed and intensity of these changes has varied, according to the domestic situation and history of each country.

Until recently, these parties were seen as regional success stories. Their showing in the polls proved that they enjoyed a solid, steady, electoral base, and they were regularly involved in government. Here, their role in securing their countries' accession to the EU can scarcely be denied. However, since 2000, the process has visibly gone into reverse, and change has set in. The electoral defeats of the Polish SLD, the Romanian PSD or the Czech CSSD marked the opening of a new stage of deconstruction and reconstruction. All these social-democratic parties are racked by corruption scandals and internal disputes.

These parties have failed to develop a left wing culture. As political edifices constructed around closed circles of elites, the eastern European social-democratic parties have, from the very beginning, neglected their bases and their grass-roots. Their organisational structures are often no more than legacies of the former communist organisations, simply left in place. Membership conferred a very significant legitimacy on the conversion strategy undertaken in the 1990s.

As a direct result, the social democratic parties do not have a clean and stable electoral base. They have developed almost no cogent strategy in terms of policy based on the key words of western social democracy: blue-collar, public sector, the state, social security and, more specifically, the protection of those who have lost out as a result of the transition. As government parties, they were responsible for managing European integration, which meant they had to make fundamental policy compromises. In order to be politically credible, they were obliged unanimously to support radical economic reform, which meant that they left their traditional support-base wide open to the nationalist-populist parties. From this point of view, the success of populist parties, whether in Poland, Slovakia, Slovenia, Romania or Bulgaria, is linked both to a generic weakness afflicting the traditional parties, and in equal measure, to the weaknesses of the left.

These parties do not merely have difficulties in building special relationships with certain sectors of civil society, but are also failing, at the same time, to create stable links with the trade union movement, which is also in crisis. Finally, the concept of the state which these parties most often promote is one of a state in thrall to the parties, or, to put it another way, a politicised state which benefits a limited number of "clients".

For that reason, we cannot say that it is the welfare state which lurks behind the ideological thinking of the region's social democratic parties, but a concept of the state as a "party utility". As a result, there is one corruption scandal after another, which undermines the parties' credibility.

The social democratic parties, for these reasons and despite their real successes in elections, now face significant difficulties when it comes to representing those who have lost out from the transition – often not seen as their natural constituency – thus leaving the door wide open to nationalist or extremist parties.

Conclusions

The term populism needs to be handled with caution. It needs to be clearly defined.

The ten Central and Eastern European countries which joined the EU in 2004 and 2007 are going through a period of destabilisation in the political landscape. One of the results is a surge in populist feeling and of "anti-system", nationalist, frequently xenophobic, homophobic and anti-European parties. There are many underlying reasons: economic and social crisis, crisis of values, absence of a forward-looking political vision, corruption, the legacy of the past, etc.

We have sought to highlight the difficulties faced by the democratic left in the region, including defence of those who have lost out as a result of the transition. This is a factor of some importance. Solutions to these difficulties can be found in both the short and the medium term. Without a strong and well-organised left wing, Central and Eastern Europe risks facing a prolonged period of social and political problems.

Democratic Regression, Rising Populism and the pitfalls of European Integration

André Gerrits

The countries in Central and Eastern Europe struggle with post-accession blues. Reports on political developments in these countries conclude that popular democratic consensus has eroded since the initial wave of enthusiasm during the immediate post-Cold War years. Among the new members of the European Union, Poland may be the most conspicuous in terms of a decreasing support for democratic values (Goehring, 2007). Other surveys also indicate that anti-democratic sentiments have emerged in a number of countries. The rightwing – socialist coalition government in Slovakia, the radical street-organized opposition of the Fidesz party in Hungary, the seven months political stalemate in the Czech Republic – all amply demonstrate a rising tide of *Demokratieunzufriedenheit* in many of the new member countries of the European Union. Additionally, twenty years after the 1989 revolutions, which were at least partly inspired by the "Return to Europe" metaphor, euphoria among the citizens and elites of Central and Eastern Europe has faded significantly. Euroscepticism is on the rise. How do we define and explain the political trends in Central and Eastern Europe today? Are they as worrisome, as disturbing as they are often perceived? And to what extent are they causally related: is the assumed weakening of democratic consensus linked with the increase of Euroscepticism in the new Member States of the European Union?

André Gerrits is senior lecturer in East European Studies at the Department of European Studies, Faculty of Humanities, at the University of Amsterdam. His observations are partly derived from a multi-country comparative research project that links the enlargement strategy of the European Union, via domestic perceptions of European integration, to the trajectories of democratic government and its discontents in four accession / candidate / European Neighbourhood Policy countries: Spain, Poland, Ukraine, and Turkey (Annette Freyberg-Inan, André Gerrits and Otto Holman: *European Union Enlargement and the Consolidation of Democracy: Euroscepticism and Anti-Democratic Politics in the Context of European Integration* (Amsterdam University, January 2008)).

These are important questions, but they are not easy to answer. As to the state of democracy in Central and Eastern Europe, one may be easily swayed by the issue of the day. The twin rule of the Kaczynski brothers in Poland was routinely mentioned as a prime example of the populist advance in the region. Meanwhile, one of the two brothers, Prime Minister Jaroslaw Kaczynski suffered defeat against Donald Tusk and his Civic Platform in the October 2007 parliamentary elections. Has the Polish electorate suddenly changed? Was political populism less serious than many observers believed? Was there any populist backlash at all in Poland? As to the possible co-relationship between democracy or democratisation and European integration or enlargement some pertinent questions can also be raised. As yet, however, discussion has focussed mostly on the pro-democracy effects of enlargement. The possible negative effects of regional integration on democratisation (especially the strongly "conditional" type of EU enlargement) have received little attention from both policy makers and analysts. This paper contains preliminary observations on the interrelationship between the enlargement strategy of the European Union, the trajectory of democratic government in the accession countries, and the development of Euroscepticism.

What do we observe, and how do we interpret it?

Central and Eastern Europe is a highly diverse region which copes with a series of shared issues and concerns. Despite recent downgrades in democracy scores, most of the countries still score exceptionally high on the scales of most democracy observing institutions, i.e. in comparison with most post-communist countries in the former Soviet Union, as well as with states in other recently democratised regions. The countries in Central and Eastern Europe share a common ambiguity of impressive democratic progress against specific political drawbacks and disillusionment. We observe problems *of* and problems *with* democratic government. Their causality remains a matter of interpretation, although I would not be surprised if such a cause and effect relationship exists. Among the most frequently mentioned problems of democratic government in the new Member States of the European Union are wide-spread patronage and clientelism, behind-the-scenes

decision-making, corruption, political intolerance and intimidating moral rhetoric, political paranoia, anti-individualism, as well as intolerant collectivism. At the demand side of politics, we witness equally worrisome trends: a decrease in social trust in democratic institutions and procedures (including politicians, political parties, as well as legislatures), declining voter turn-outs, growing electoral volatility – in brief: a widening gap between citizens and politics.

How to interpret these developments? If democratic government would indeed be seriously flawed in Central and Eastern Europe, popular dissatisfaction with the current political order could be seen as a positive phenomenon. Citizens may not be dissatisfied with democratic government; they are critical about their flawed "real existing" democracies. It is a comforting but not a very convincing interpretation. There is a real – and as it seems increasing – lack of interest, trust, and participation in democratic government on the part of Central and Eastern Europe's citizens. Various explanations, from rather reassuring to truly troublesome ones, could be given. The least disturbing interpretation stresses the conjunctive dimension of political change. It is all a matter of electoral cycles. Current events in Central and Eastern Europe are the latest expression of the only true political law in post-communist Europe: ruling parties lose elections. People have got tired of the liberal parties and politicians that have dominated politics for more than a decade. They have woken up to post-accession reality. They are distressed by the speed and disappointed with the social consequences of market reforms. Another more troubling explanation stresses the structural nature of the region's democratic malaise. Current dissatisfaction with democratic government reflects a crisis of "liberalism" rather than of "liberals". Ergo, the voters in Central and Eastern Europe have not only punished the political forces that stood behind the liberal consensus of the last decades; they reject political and economic liberalism as such. And finally, the most disturbing explanation: the political problems in Central and Eastern Europe reflect the malfunctioning of representative democracy, if not a crisis of democracy per se.

"Populism" is frequently used to interpret and explain the current crisis phenomena in Central and Eastern Europe. Populism is an attractive notion: ill-defined, if not vague, but with clear political

connotations and high emotional value. This is not the place to enter the scholarly debate on political populism. Suffice to say, populism reflects a rather simplistic and dichotomous world outlook (us versus them applied to practically every aspect of politics) combined with a specific political strategy and modus operandi (highly "personalized", and circumventing many of the standard procedures and institutions of representative democracy). Populism is not an equally prominent force in all post-communist countries and even in those countries where it has gained in political strength, the representatives of radical populism never reached beyond ten percent of the general vote (Lang, 2006).

Additionally, populism is not an unequivocally destructive political phenomenon. It has "distinctive virtues and vices" (Krastev, 2007). Therefore, the identification of the rise of populism with democratic backsliding is flawed at the very least. Populist politicians could engage the "marginalized" into the political process again. Populism may dissolve and open-up sclerotic political practices and institutions (including political parties). And it may put issues on the political agendas which mainstream political parties are either reluctant or afraid to openly debate and address. If populism is mainly an expression of dissatisfaction with "flawed" democracy, it may have beneficial effects on democratic government. A democratic polity is better served by criticism and disagreement, than by artificial consensus, as Robert Dahl concludes. Even political distrust, which seems so widely spread in today's Central and Eastern Europe, could ideally function as a democratic control mechanism – as long as distrust is balanced by a minimum measure of political confidence, of course, and, to quote Dahl, as long as "a substantial majority of citizens prefer democracy and its political institutions to any non-democratic alternative and support political leaders who uphold democratic practices" (Dahl, 2000). All indications show that this is still the case in the post-communist countries of Central and Eastern Europe.

Equally unconvincing is the identification of the current wave of democracy discontent (or for that matter: populism) in Central and Eastern Europe with either the full rejection of the dominant (liberal) post-communist transformation model or with anti-Western attitudes. "The issue is not whether one is left, right, or centre", as Adam Michnik phrases it, "but whether one is 'West of centre'..." I do not

believe that either populism or democracy critique can simply be identified with anti-Western postures.

The discussion on populism and related phenomena in Central and Eastern Europe would gain by a more sophisticated interpretation of democracy dissatisfaction. There is no consensus in literature on a single definition of democracy nor, consequently, on how to define non-democratic ideas and behaviour. A distinction could be made between anti-democratic and a-democratic thinking. Anti-democratic ideas and practices openly and pro-actively seek to impose limits on the democratic process in general. A-democratic ideas and behaviour express themselves in generalised political discontent or institutional distrust *within* formally democratic systems. They cannot be called outright anti-democratic but they can undermine the operation of full procedural democracy.

A-democratic attitudes not only seem to prevail in post-communist Central and Eastern Europe, but they also, as we hypothesize in our research proposal, appear to feed Euroscepticism more than those practices and sentiments levelled against formal democratic procedures. This corresponds with the generalised political discontent or institutional distrust, identified in literature as sources of Euroscepticism (Hooghe and Marks, 2007).

EU accession and democratic politics

In the growing literature on the role and relevance of regional organizations in national democratisation processes, the enlargement of the European Union is routinely presented as one of the most successful international democracy promotion strategies. Europe is a prime example of Philippe Schmitter's observation that the context of successful democratisation is neither national nor global – it is primarily regional (Schmitter, 2007). Among regional organizations, the European Union in particular has had a strong and beneficial influence on the transitional and consolidation phases of democracy through processes of socialization and legitimisation. Additionally, the European Union offers a prime example of another general "rule": an external democratization strategy on the basis of agreement is more effective than one which is based on pressure. The crux of the matter is the coincidence between an aspiration to membership (and the willingness to accept all conditions involved)

and a desire for democracy. Despite the fact that the pursuit of membership is often considered as causally related to the development of democracy, it remains extremely difficult to demonstrate to what extent the political and economic conditionality applied by the European Union has exactly influenced democracy. After all, enlargement was not only, and perhaps not even primarily, a strategy of democratization, but of integration – a strategy of integration in whose success the Union itself was a major stakeholder.

Hypothetically, various features of this democratization / integration strategy may have negatively affected the current state of democracy in the new Member States. Firstly, the enlargement of the European Union was a strongly elitist enterprise. It benefited from a relatively weak civil society and low political participation. Secondly, despite the widely shared ambition to join the European Union, accession was poorly legitimised and suffered from a clear lack of accountability. How can one be held accountable for policies which are essentially inevitable, predetermined. Accession itself and accession conditions were generally presented as desirable, necessary, rational, even inevitable. They were largely depoliticised. The accession strategy to the European Union was built on "forced", artificial consensus. National legislatures played only a marginal role in the process. Accession served as a focal point of cooperation among political parties and groups which would otherwise be (strongly) divided. Accession politics were virtual politics. This puts the notorious remarks by the Hungarian Prime Minister Ferenc Gyurcsany (May 2006) in a slightly different light: "for a year and a half we have faked governing (…) we lied in the morning, in the evening, and at night (…) there is no choice" (Rupnik, 2007).

From the perspective of enlargement as a strategy of integration, these features of the accession process may have been beneficial. The realization of the accession conditions and other painful consequences of the transition process were probably much easier in a largely depoliticised environment than in a strongly politicised one. From the perspective of democratization, however, the very specifics of the accession strategy may help to explain the political problems the new Member States are faced with today.

Demokratieunzufriedenheit could be considered as a welcome, to avoid the unduly deterministic "inevitable", reaction to the experience of accession. The post-accession blues could be seen as the

"return of politics" to Central and Eastern Europe. Self-enforced conformity is over. There is room for *politics* again: for non-consensus, for polarization, for political choice, in other words: for true democratic accountability. This return of politics may have some unpleasant features and effects (of which the rise of "populism" is generally seen as the most conspicuous one) but it is no immediate threat to the democratic gains of the last two decades. The room to manoeuvre remains limited. Most political populists in Central and Eastern Europe today distinguish themselves through moral issues, not through alternative economic policies or ideological designs. Their policies reflect, and appeal to, a-democratic, rather than anti-democratic sentiments.

Paradoxically, the European Union exerts less influence on the countries of Central and Eastern Europe today, now they have joined the union, than it did before, during the accession process. Whilst strict conditionality no longer applies, competencies have blurred, and decision-making structures and procedures have become more complex (Zielonka, 2007). In short, from an institution which needs to be complied with, the European Union became one which can be disputed. The counter-argument is of course that while "leverage" may have decreased, "linkage" has increased.

If the current problems with and of democratic politics in the post-communist countries of Central and Eastern Europe are at least partly related to their accession to the European Union (and therefore primarily determined by the enlargement strategy of the Union), one might expect another causality: between a- or antidemocratic attitudes and Euroscepticism.

Euroscepticism is as multi-interpretable as democracy critique. Kopecky and Mudde have distinguished between "diffuse" and "specific" support for European integration. The former refers to "support for the general *ideas* of European integration that underlie the EU" (Kopecky and Mudde, 2002). The latter denotes "support for the general *practice* of European integration; that is, the EU as it is and as it is developing". From a different perspective, Taggart and Szcerbiak refined the definition of Euroscepticism by making a distinction between "hard" and "soft" Euroscepticism. While the former implies outright rejection of the entire European project; the latter involves "contingent or qualified opposition to European integration" (Taggart and Szcerbiak, 2001).

Research indicates that on average the new Member States of the European Union show a higher measure of Euroscepticism in combination with a lower level of "European identity" (Wessels, 2007). My interpretation, however, is that their discontent with "Europe" is predominantly of the "soft" variant, as their democracy critique is primarily of the "a-democratic" form. For a full rejection of European integration, the hard version of Euroscepticism, one needs to look further eastwards to the republics of the former Soviet Union. And even there hard Euroscepticism is probably a minority issue. The new Member States of the European Union present a political reality which is neither very appealing nor particularly dramatic. The return of politics in the region has some ugly features. The backlash against the liberal consensus, the advance of political populism and the rise of democracy dissatisfaction and Euroscepticism form an unattractive mix. They may be a symptom of the flaws of the democratic order in Central and Eastern Europe but they should not be identified with either a crisis of democratic government or with a full rejection of the European project.

Literature

Goehring, J. *Nations in Transit 2007: Democratization from Central Europe to Eurasia.* Washington, D.C.: Freedom House.

Dahl, R. *On Democracy*. New Haven and London: Yale University Press, 2000: 157-158.

Hooghe, L. and Marks, G. "Introduction: Sources of Euroscepticism", in *Acta Politica*, 2007, 42: 121.

Kopecky P. and Mudde, C. "The Two Sides of Euroscepticism: Party Positions on European Integration in East Central Europe," in *European Union Politics* 3 (2002) 3: 300.

Krastev, I. "The Strange Death of the Liberal Consensus", in: *Journal of Democracy*, 18 (October 2007): 60.

Lang, K-O "Populism in Central and Eastern Europe – A Threat to Democracy or Just Political Folklore?", in *Slovak Foreign Policy Affairs*, Spring 2005: 6-16.

Rupnik, J. "From Democracy Fatigue to Populist Backlash", in *Journal of Democracy*, 18 (October 2007) 4: 20.

Schmitter, Ph. "The Influence of the International Context upon the Choice of National Institutions and Policies in Neo-Democracies", in Laurence Whitehead, ed., *The International Dimension of Democratisation: Europe and the Americas.* Oxford: Oxford University Press.Whitehead 2001: 40).

Taggart, P. and Szcerbiak, A. “Parties, Positions and Europe: Euroscepticism in the Candidate States of Central and Eastern Europe”, paper presented at the Annual Meeting of the Political Studies Association, 10-12 April, 2001, Manchester: 5-6.

Wessels, B. “Discontent and European Identity: Three Types of Euroscepticism”, in *Acta Politica*, 2007, 42: 299.

Zielonka, J. “The Quality of Democracy after Joining the European Union”, in *East European Politics & Societies*, 21 (2007) 1: 165.

The Strange Death of the Liberal Consensus

Ivan Krastev

The liberal era that began in Central and Eastern Europe in 1989 has come to an end. Populism and illiberalism are tearing the region apart. Hungary is in a state of "cold civil war" between the manipulative post-communist government (one that admitted to lying "in the morning, in the evening, and at night") and the populist anti-communist opposition, which keeps its door open to the extreme right. The Slovak government is a strange coalition of Robert Fico's soft populists, Ján Slota's hard nationalists, and Vladimír Meciar's Meciarists – an unimpressive brew of nationalism, provincialism, and welfarism. In the Czech Republic there is no major problem with the government – the only problem is that for almost seven months the country's political parties failed to form a government. In Romania the president and the parliamentary majority are engaged in an open war, with secret-police files from the communist era and corruption files from the post-communist era the weapons of choice. In Bulgaria extreme nationalism is surging, but the mainstream parties and governmental institutions are accommodating it instead of fighting it. The capital of Central European illiberalism today, however, is Poland. It is currently ruled by a coalition of three parties: the right-wing populists of the post-Solidarity Law and Justice Party; the post-communist provincial troublemakers of the Self-Defence Party; and the heirs of the pre–World War II chauvinist, xenophobic, and anti-Semitic groups that form the League of Polish Families. This coalition has been characterized by its most outspoken critic, editor and former dissident Adam Michnik, as employing a peculiar mix of the conservative rhetoric of George W. Bush and the authoritarian political practice of Vladimir Putin. Throughout the region, the public mistrust politicians and political parties. The political class is viewed as corrupt and self-interested.

Ivan Krastev is Chairman of the Centre for Liberal Strategies in Sofia, Bulgaria, and editor-in-chief of the Bulgarian edition of Foreign Policy. This article was published earlier in the Journal of Democracy, Volume 18, Number 4, October 2007.

Dissatisfaction with democracy is growing. According to the global survey Voice of the People 2006, Central and Eastern Europe, contrary to all expectations, is the region of the world where citizens are most sceptical about the merits of democracy. The picture is bleak and depressing. The liberal parties founded by former dissidents have been marginalized, the liberal language of rights is exhausted and centrism and liberalism are under attack both as philosophy and as political practice. The new hard reality in Central and Eastern Europe is political polarization, a rejection of consensual politics and the rise of populism. The growing tensions between democracy and liberalism, the rise of "organized intolerance," increasing demands for direct democracy, and the proliferation of charismatic leaders capable of mobilizing public anger, make it almost impossible to avoid drawing parallels between the current political turmoil in Central and Eastern Europe and the crisis of democracy in Europe between the world wars. The spectre of populism is haunting Central and Eastern Europe, but there is little agreement about the meaning of the term "populism": Who are the populists? What does populism represent? How dangerous is it? What are the sources of the current populist wave? What should be done about it?

It is above all the latest political developments in Poland that have called up memories of the collapse of democracy in Europe in the 1920s and 1930s. Poland has become the symbol of the new political *Zeitgeist.* Freedom House's new report *Nations in Transit 2007* stresses the Polish government's attacks on the independent judiciary and the independent Central Bank and its violation of the rights of sexual minorities. Michnik sets forth the indictment as follows: in the ministries and state institutions, numerous civil servants have been summarily replaced by unqualified but loyal newcomers. The independence of the mass media – especially of public radio and television – was curtailed by changes in personnel instigated by the government and by pressures to control the content of what was published and broadcast. The Kaczyñski administration's efforts to centralize power have limited both the activities of the independent groups that form civil society and the autonomy of local and regional government. The everyday language of politics has become one of confrontation, recrimination, and accusations. The public atmosphere in Poland perfectly fits what American historian Richard

Hofstadter defined as the "paranoid style in politics." The paranoid style sees evidence everywhere of a vast and sinister conspiracy, a gigantic yet subtle machinery of influence set in motion to undermine "our way of life."

According to the current Polish government, ex-communists and their liberal allies had succeeded in creating a public atmosphere in which Catholicism was equated with clericalism; holding to tradition and cultural identity was equated with ignorance; and the word "patriotism" was deleted from the national vocabulary. The liberal hegemony is blamed for destroying the moral community created in the heroic days of Solidarity and for legitimizing the economic sway of the former communist elites. The Kaczyñski brothers frame the political conflict in Poland these days as a clash between their new Fourth Republic and the Third Republic that prevailed during the years of transition (1989–2005). It should not come as a surprise that the issue of lustration has emerged as the symbol of contestation between the Liberals' Third Republic and the Kaczyñskis' Fourth Republic. Liberals insist on individual responsibility for the wrongdoings of the communist period. They legitimately fear that the Kaczyñskis' version of lustration violates the rights of citizens, and the Constitutional Tribunal has affirmed their view. The populists appeal not to the rights of individuals but to the rights of the nation. The government is prepared to sacrifice the rights of individuals in order to restore society's sense of historical justice. In the eyes of the post-communist liberals, the populist right has acquired the features of what Umberto Eco calls "eternal fascism." The main characteristics of this "ur-fascism" are the cult of tradition and the rejection of modernization; irrationalism and anti-intellectualism; an appeal to the frustrated middle class; an obsession with conspiracy and anti-Semitism; and, of course, fierce anti-pluralism and anti-liberalism. The erratic and confrontational behaviour of the Polish government during the negotiations of the EU's new "Reform Treaty" in June 2007 contributed to the popularity of the "Weimar interpretation" of the crisis in Central and Eastern Europe.

But there is a serious problem with this interpretation. While it may do a good job of illuminating the confusion and despair of the liberal elites, it fails to describe the actual state of affairs. In present-day Central and Eastern Europe, unlike in Europe in the

1930s, there is no ideological alternative to democracy. The economies of the countries in the region are not stagnating but booming. Standards of living are rising and unemployment is declining. The membership of Central and Eastern European countries in the EU and NATO provides a safeguard for democracy and liberal institutions. The streets of Budapest and Warsaw today are flooded not by ruthless paramilitary formations in search of a final solution, but by restless consumers in search of a final sale.

The Central and Eastern European paradox is that the rise of populism is an outcome not of the failures but of the successes of post-communist liberalism. David Ost explains the paradox as follows: "By presenting their policies not so much as "good" ones but as "necessary" ones, not as "desirable" but as "rational", liberals left their supporters no acceptable way to protest or express dissatisfaction." The transition period was marked by excessive elite control over political processes and by a fear of mass politics. The accession of the Central and Eastern European countries to the EU virtually institutionalized elite hegemony over the democratic process. Parliament lost its function as a place where major political debates take place and was reduced to an institution preoccupied with adopting the EU's *acquis communautaire.* Ordinary citizens experienced transitional democracies as regimes where voters could change governments but could not change policies. As the pop group Maxim + SKIN sings: "We don't have a choice but we still have a voice."

The Fallacy of Anti-Populism

In the current Central and Eastern European debate, "populism" usually refers either to emotional, simplistic, and manipulative discourse directed at the "gut feelings" of the people or to opportunistic policies aimed at "buying" the support of the people. But is appealing to the passions of the people supposed to be forbidden in democratic politics? And who decides which policies are "populist" and which are "sound"? As Ralf Dahrendorf has noted, "one man's populism is another's democracy, and vice versa."

Respected political scientist Philippe Schmitter (neither Pole nor populist) insists that the rise of populist parties can have a positive

impact on the new democracies in Central and Eastern Europe. He acknowledges the downside of populist parties: They undermine existing party loyalties and stable choices between competing partisan programmes, without replacing them with alternative ones; they recruit ill-informed persons who do not have consistent preferences and who seek "emotional" rather than programmatic satisfactions from politics; and they raise expectations that cannot be fulfilled. But at the same time, Schmitter argues, populist parties deconsolidate sclerotic partisan loyalties and dissolve and open up collusive party systems; they recruit persons who have previously been apathetic and passive citizens and mobilize them to participate in the electoral process. By raising and combining disparate or ignored political issues, populist parties encourage the articulation of suppressed cleavages and demands. They challenge "accepted" external constraints and call into question existing and often exploitative dependencies upon foreign powers. The recent populist experiences of Slovakia or Bulgaria confirm Schmitter's more balanced and benign view of the impact of populist parties on the democratic system. The coming to power of Fico's government has resulted not in the breakdown of democracy but in increased trust in institutions and in the democratic process as a whole. While only one in five citizens trusted the previous government of Mikuláš Dzurinda, every second Slovak trusts Robert Fico's populist government. Trust in Parliament has also increased. The same could be said about the victory of former king Simeon's movement in Bulgaria. When the ex-king won his electoral landslide in 2001 and formed a government, it was feared that his victory represented the end of party politics and a rupture with the politics of democratic reform. All these predictions turned out to be dead wrong. At the end of the day, the ex-king's government contributed to the success of the reform process and to the consolidation of Bulgarian democracy. In other words, populism has distinctive virtues as well as vices, and it is by no means evident that the latter always prevail. Populism is anti-liberal but it is not antidemocratic. It gives voice to the losers of the reform process. To paraphrase what James Madison said about factions in *Federalist*, any effort to exclude populists from competition would be worse than the damage that they might cause.

So, it is fair to say that what we face in Central and Eastern Europe is not a crisis of democracy but a profound transformation of democratic regimes as a result of the end of the transition. It is antagonism toward the politics of the transition period – what we may call "really existing liberalism" – rather than toward liberal ideology that is driving the current revolt against liberalism in the region. In historical perspective, the transition marked the victory of the democratic revolution. Post-communist societies succeeded in peacefully transforming the communist system, building democratic and market institutions, producing economic growth, and, finally, in becoming part of the European Union. At the same time, the transition led to rapid social stratification that painfully hurt many while it privileged a few. Many lives were destroyed and many hopes betrayed during the time of transition. As David Ost notes, "by the late 1990s, the typical Polish suicide victim was not a teenager in an existential crisis but a married man in his early forties living in one of the myriad small towns and villages" where the bankruptcies of farms and state firms "combined with the collapse of the old welfare state to produce a particularly searing kind of despair." The fact that the major winners of the transition were the educated and well-connected members of the old *nomenklatura* did not enhance the moral acceptance of the transition. The original sin of the post-communist democracies is that they came into being not as an outcome of the triumph of egalitarianism but as a victory of an anti-egalitarian consensus, uniting the communist elite and the anticommunist counter-elite. Ex-communists were anti-egalitarian because of their interests. Liberals were anti-egalitarian because of their ideology. The impact of EU accession on the consolidation of post-communist democracies was more ambiguous than some of its advocates are ready to admit. The European Union played a key role in securing policy consensus and improving the quality of institutional performance, as well as in strengthening local democracy and empowering liberal institutions such as the courts and independent central banks. At the same time, however, the European Union and the external constraints that it imposed on the accession countries contributed to the perception of the transition regimes as "democracies without choices," and thus fuelled the current backlash against consensual politics.

Thinking 1968

There is another analogy that illuminates the recent events in Central and Eastern Europe better than that of the interwar European democracies. It is West Germany in 1968 rather than Weimar Germany in 1933 that offers the key to understanding the current crisis. Today, as in 1968, the crisis came after two decades of successful economic recovery and a period of amnesia about the past. The turmoil was unexpected and frightening. The crisis of democracy in 1968 was rooted not in the failure of democratic institutions but in the success of the post-war West German project of modernization and democratization. Then, as today, there was talk about the hollowness of democratic institutions and the need for a moral revolution. In Germany then, as in Poland now, there were appeals for a "new republic" and a rejection of the politics of soulless pragmatism. Then, as now, there was a major transformation in the cultural and geopolitical context. The word "populism" was in the air, and people demanded more direct democracy. Here, however, the similarities end. What is different about the current "populist revolution" is that it is shaped by conservative sensibilities. The new self-proclaimed "revolutionaries" in Central and Eastern Europe fear not the authoritarianism of the state but the excesses of post-modern culture and the collapse of traditional values. They are nostalgic and not utopian, defensive and not visionary. In 1968, the spirit of the times was individualistic, emancipatory, and libertarian. That is not the case today. Now, unlike then, the challenge to the system is coming not from the left but from the right, and the new dream is not global solidarity but national exceptionalism. The populists of 1968 were "educationalists": They wanted to empower the people as they believed the people should be. The populists of today want power for the people as it is. The revolutionaries of 1968 had a passion for "the other," for those who are not like us. The populists of today have a passion for their own community, for those who are just like us. In a sense the populist revolution that we are witnessing in Central and Eastern Europe today is a revolt against the values, sensibilities, symbols, and elites of 1968. In the modern age, nothing is more revolutionary than what only yesterday seemed the height of reaction. Thinking in terms of 1968 tempts us to view the current crisis of liberalism in Central and Eastern Europe not as a

"particular" crisis of post-communist democracies, but as one aspect of the transformation of democracy in the European Union as a whole.

The heart of the current crisis is *not* a clash of principles that pits democratic majoritarianism as embodied by the populists against liberal constitutionalism as defended by the liberals. The heart of the conflict is rather the clash between the liberal rationalism embodied by EU institutions and the populist revolt against the unaccountability of the elites. Liberal elites fear that modern societies are becoming ungovernable. Populists fear that modern elites have become totally unaccountable. Both fears are legitimate. The rise of populist parties as a rule invites psychological or even psychoanalytical interpretations. Commentators consciously or unconsciously are tempted to analyze populism in terms of "the return of the repressed," "traumas," "frustrations," and "status anxieties." But the psychological fashion in interpretations of populism is misleading. What we are witnessing today is not pathology but a profound transformation in the nature of Europe's liberal democracies. It is the very structure of contemporary democracy that is at issue, rather than a particular malfunction of an otherwise workable model. The processes of European integration and globalization have profoundly changed the essence of the political in Europe. The Cold War-era liberal democracies of Western Europe, organized around the antagonism between left and right, between labour and capital, can no longer serve as a model for Central and Eastern Europe. In the new environment of a common European market and global economic competition, decision making on economic policy has practically been excluded from the realm of electoral politics. Despite all the populist rhetoric in Central and Eastern Europe, there is very little in the way of populist policies, especially when it comes to the economy. Even though populist leaders blame neoliberal policies for the suffering of the people, they do not seem eager to change those policies. The economic approach of the populist governments in Poland or Slovakia (for the moment, at least) does not differ substantially from the policies of their liberal predecessors.

The decline of the welfare state has resulted in the disappearance of the liberal democracies as we knew them. Sociologist David Ost has argued that the emerging class conflicts in Central and East-

ern Europe became articulated as conflicts not about interests but about identity, thus fostering an illiberal political culture and the triumph of populist parties. In order to prevent anticapitalist mobilization, liberals successfully excluded anticapitalist discourse, but in doing so they opened up space for political mobilization around symbolic and identity issues, thus creating the conditions for their own destruction. The priority given to building capitalism over building democracy is at the heart of the current rise of democratic illiberalism in Central and Eastern Europe. The more rational economic policies have become, the more irrational electoral politics has grown. The de facto exclusion of economic policy from the democratic process, combined with the revolution in media and entertainment, eroded the rationalist foundations of liberal policies. The death of the grand ideological narratives and the hegemony of "third way" centrism have profoundly transformed contemporary democratic politics. Elections no longer offer a grand choice between competing worldviews; instead they more and more take the form of referenda on the elites – the "ritual killing" of the governments in power. Scandals have played a central role in this transformation of the political. As Pierre Rosenvallon has put it: The function of opposition is framed more and more often in terms of indictment (on the model of the great English political trials of the seventeenth and eighteenth centuries), eclipsing a vision of politics as the rivalry among different programs. The figure of the citizen as a voter is today more and more overtaken by the image of the citizen as juror. The populists' obsession with corruption is the most powerful expression of this new understanding of the meaning of politics. The new populist majorities perceive elections not as an opportunity to choose between policy options but as a revolt against privileged minorities – in the case of Central and Eastern Europe, corrupted elites and morally corrupting "others" such as ethnic or sexual minorities. Populism is no longer merely a feature of certain parties or other political actors. It is the new condition of the political in Europe. The result is a brand of politics where the main structural conflict is not between left and right or between reformers and conservatives. The real clash is between elites that are becoming ever more suspicious of democracy and angry publics that are becoming ever more hostile to liberalism.

Literature

Dahrendorf, R. "Acht Anmerkungen zum Populismus," *Transit–Europäische Revue* 25 (2003): 156.

Eco, U. *Five Moral Pieces* (New York: Harcourt, 2001).

Leger Marketing, *Voice of the People 2006: What the World Thinks on Today's Global Issues* (Montreal: Transcontinental, 2006).

Michnik, A. "The Polish Witch-Hunt," *New York Review of Books,* 28 June 2007.

Freedom House, *Nations in Transit 2007: Governance Crisis in Central Europe amid Intensifying Repression in Russia and CIS* (New York: Freedom House, 2007).

Ost, D. *The Defeat of Solidarity: Anger and Politics in Postcommunist Europe* (Ithaca: Cornell University Press, 2005), 95.

Rosanvallon, P. *Democracy Past and Future* (New York: Columbia University Press, 2006), 244.

Schmitter, Ph. "A Balance Sheet of the Vices and Virtues of Populisms," paper prepared for "The Challenge of the New Populism" conference, 10–11 May 2006, Sofia, Bulgaria.

Minority Rights in the "New" EU Member States after Enlargement

Balázs Vizi

There is no doubt that after 1989 one of the characteristic features of democratic transition in Central and Eastern Europe (CEE) was the rise of nationalism, inter-ethnic tensions and ethnic-based political mobilisation both in minority and majority societies. The joint tasks of political and economic transition in CEE resulted in devastating political and social changes within a very short period of time. Instability and insecurity emerged in various areas of everyday life and drastic changes often lead to the reinforcement of individual and collective identities. Moreover, many of these states gained independence within the process of the dissolution of communist federations (among the new members of the EU like the Czech Republic, Slovakia, Slovenia or the Baltic States), thus the new identity-building endeavours emerged in parallel with the state-building needs.

The new democracies in CEE indeed not only faced the challenges of political transition from one-party rule to democracy, but also the problem of re-defining or creating, after decades of forced internationalism under communist leadership, the identity of the state and its relation to the existing cultural and ethnic diversity that characterises many of these societies. Both national minority communities and majority nations started to re-define their nation-building endeavours in the new political framework, often leading to contrasting claims and inter-ethnic conflicts. As Claus Offe has put it "*the unique and unprecedented nature of the East European process of transformation springs from the fact that at the most fundamental level a 'decision' must be made as to who 'we' are, i.e. a decision on identity, citizenship, and the territorial as well as social and cultural boundaries of the nation-state*" (Offe, 1991).

Balàzs Vizi is a research fellow at the Minority Studies Institute of the Hungarian Academy of Sciences and assistant professor at the Department of International and European Law of the Faculty of Public Administration of the Budapest Corvinus University.

At international level, in the 1990s, the revival of political mobilisation on ethnic basis raised great attention in the international community. Deep concerns regarding the great potential for ethnic conflict in the CEE region, particularly in the light of the dissolution of the former Yugoslavia (i.e. SFRY) and the Soviet Union along ethnic lines, made it a priority to establish appropriate international instruments designed to keep minority-related political developments under external control and to provide adequate political mechanisms to prevent the escalation of ethnic conflicts (Munuera, 1994). Outstanding achievements of this period were the adoption of the Copenhagen Document (1990), the Helsinki Document (1992) within the Organisation for Security and Co-operation in Europe (OSCE) and the European Charter for Regional and Minority Languages (1992) and Framework Convention for the Protection of National Minorities (1995 – FCNM) within the Council of Europe.

In this context international organisations had a powerful influence in the reinforcement of arguments on minority rights protection within these states and in the attempts creating an appropriate legal and political environment for inter-ethnic stability through the improvement of minority rights protection.

Furthermore, democratic transition and European integration have become closely interrelated processes for most post-communist countries. In the implementation and stability of the new democratic institutions, the membership/partnership policy of European international organisations also played an important role. In this way the rise of ethnic-based politics as a characteristic of political transition in CEE, and the protection of minorities as a desirable panacea and especially as a basic principle of democratic political ideals, have also been raised as key issues in the process of integration. The European Union from the mid-1990s and especially during the accession process was the most dominant player in this integration process and EU Member States recognised the importance of minority issues by including the protection of minorities in the political criteria of accession.

EU enlargement strategy

One of the most significant political tools applied by EU Member States in this endeavour was their strategy related to the timing and

conditions for the formal institutional integration of CEE countries into the European Union. Accession criteria, as it was defined at the Copenhagen summit in 1993, thus included a broader set of conditionality than ever before, extending it also to the protection of minorities, which clearly did not belong to the European Union's Treaty competences. Extending partnership first and later offering membership to CEE countries in the European Union (just like in other "Western clubs", like the Council of Europe and the North Atlantic Treaty Organisation (NATO)) was widely believed to be an effective strategy for reinforcing democracy and political stability in the region. Therefore, the concern about strengthening the protection of minorities was notably present in the membership policy applied by the EU towards CEE states.

In this regard, through its enlargement strategy, the European Union has gained overwhelming importance and proved to be a powerful motivator for policy change in CEE countries. Nevertheless, the European Union's influence on minority rights policy in the candidate states was rather limited. The EU faced serious difficulties in transmitting standards for the protection of minority rights for various reasons: first of all, the European Union bodies could not build on a firm legal background on minority rights in EU law, secondly, this issue was not a political priority within the Union, and thirdly, even at international level minority norms and their implementation are often disputed. In this framework, the European Commission – entrusted by the Council to monitor compliance in candidate states – was not capable of providing a consistent approach on legislation on protection of minority rights. The legal requirements, usually formulated by the European Commission towards candidate states during the accession process, were limited to the adoption of international instruments, like the ratification of the Framework Convention for the Protection of National Minorities.

Despite the lack of a consistent and normative conditionality on minority rights protection, the European Union was rather powerful in influencing *political discourse* on minority issues and in motivating policy changes in candidate states in this field. In this way, the accession process had positive implications on the political approach towards minority issues in most of the candidate states, but scarcely on the improvement of legal standards. Largely due to

the shortcomings of the monitoring procedure, the implementation of protection standards for minority rights remained problematic in many candidate states. A striking example of the lack of pressure from the EU on implementation was the discussion over the adoption of a law on minority rights in Romania. While the government seemed to be committed to adopting the law before Romania's accession to the EU, and both the Commission and the European Parliament supported the adoption of this separate law, the draft law presented by the government to the Romanian Parliament disappeared in the discussions of the various parliamentary committees and plenary debates without any final result.[1] Similar withdrawals could be seen from their pre-enlargement commitments in the Baltic States as well, as it was shown by the recommendations of the Committee of Ministers of the Council of Europe adopted on the implementation of the Framework Convention.

Why could EU accession have positive implications without lasting results? The European Commission, through the publication of the annual Regular Reports during the accession process, was able to influence public discourse on minority rights in the candidate states and the overall desire of the political elites in these countries for joining the EU led to formal compliance with EU accession criteria.[13] Nevertheless, EU bodies did not have the appropriate means and competence for monitoring the effective implementation of these measures. Thus, while the EU was often successful in raising awareness on minority issues in candidate states before their accession, it could not be successful either in effectively monitoring legal implementation or in keeping pressure on the new Member States to reinforce their pre-accession commitments.

Post-enlargement agenda

As a matter of fact, it was widely believed that EU accession in itself will not only help disseminating international (OSCE and CoE) standards – e.g. ratification of the FCNM – on minority rights protection in CEE states, but will also help states to develop minority-friendly policies after enlargement as well. This shared belief explains for example why EU membership was so strongly supported among minority citizens in most CEE candidate countries. However, the three years after the 2004 enlargement proved that

[1] E.g. the ratification of the FCNM in Slovakia or Romania, the adoption of Roma integration programs in Bulgaria or Hungary, the inclusion of minority parties in government coalitions in Romania, Bulgaria or Slovakia, etc.

the invisible "external control" of the EU did not necessarily lead to the improved conditions for minorities in the new Member States. After having obtained membership, many states have come to the conclusion that they created an "EU-standard" minority protection system – in compliance with EU accession criteria – which does not need to be further developed. However, there is no answer what conformity with EU standards would mean in lack of such standards. This means that without necessarily changing the existing legal measures on minority rights, the political atmosphere may easily turn against the minorities. The increasing political exclusion of minority parties from governments and/or from political decision-making in Slovakia and Romania in the immediate post-accession period is a striking example of that. From another perspective, in many CEE states the rise of intolerant, racist rhetoric in politics also seems to be stronger than in the pre-accession period. One of the most alarming phenomenon in this regard was the inclusion of the extreme nationalist Slovak National Party in the governing coalition in Slovakia.

In this sense one may conclude that due to the lack of internal instruments for monitoring minority rights policies within the EU, political parties and governments may feel more free in adopting a more restrictive interpretation of minority rights' protection.

The main symptoms of this kind of restrictive policy can be seen in the failure to adopt separate laws on minority rights (in Romania or the Baltic States), in overlooking discriminative or anti-minority acts which actually violate existing legal regulations, in propagating exclusion in political life at national level, etc. The main characteristic of these phenomena is that these actions do not necessarily violate the international commitments of the states concerned, although they do create a less tolerant domestic political environment and impede the effective implementation of pre-enlargement minority protection commitments.

European Union membership obviously had positive implications for the protection of minority rights in the new Member States. The ratification of the FCNM or the European Charter for Regional or Minority Languages implies a regular expert monitoring of the implementation of these international treaties and the adoption of EU standards on non-discrimination (especially the 43/2000 Antidiscrimination Directive) help reinforce the combat against

discrimination. Nevertheless, the lack of effective monitoring of implementation may continue to be problematic. After the adoption of the new Treaty of Lisbon, the protection of minority rights does not appear either in the competencies of EU bodies, or in the Charter of Fundamental Rights. The reference to the rights of minorities among the values of the Union (under Art. 1a), however, seems to be an important step forward for improving political awareness and co-operation within the EU regarding the potential minority-related problems.

The reluctance of Member States to tackle minority problems in an appropriate way after enlargement may not only contribute to the rise of nationalist politics within ethnic majority parties, but could also have a counter effect on minority communities living in these states. If pre-enlargement minority protection is being replaced by nationalist policies, it may not only disappoint minority communities but could also lead to their political radicalisation.

The European Union obviously cannot and should not duplicate existing international minority rights' protection instruments. The Council of Europe and the OSCE should remain the international bodies for standard setting in this field. However, Member States of the EU should become more active and innovative in adapting existing EU measures and instruments to the needs of threatened minority communities. The principle of non-discrimination, one of the cornerstones of human rights' protection within the EU, should more often be applied to address state practices which are potentially discriminating minorities. The available legal measures should be further developed not only within Member States, but also within the EU. The activity of the Agency of Fundamental Rights is of primary importance in this regard. While at present the competencies of the Agency are rather limited and the influence of Member States on its practice may be problematic, it could be developed into an effective EU organ which monitors the human rights' practices of Member States, including minority rights. Nevertheless, for fulfilling its mission, the Agency should act more independently from Member States, for instance by regularly monitoring their practices. On the other hand, despite the limited references to minority-related rights in the Charter of Fundamental Rights, it should freely develop a minority-sensitive interpretation of the terms of "cultural diversity" and "non-discrimination".

Moreover, Member States must become increasingly aware of their duties regarding the protection of minority rights. Furthermore, problematic minority issues within Member States should become a legitimate field of co-operation, as it is the case in other international organisations, like in the Council of Europe and the OSCE. Obviously, where there is a lack of relevant treaty provisions, this co-operation could hardly develop any legal standards within the EU. However, it could contribute to the dissemination of a tolerant and co-operative approach to minority issues in the Member States.

The last enlargement process has started to raise awareness of the protection of minority rights in the EU context and it seems clear that the political influence of European integration on domestic policies is significant. Problems related to minorities seem to be persistent in many European states and no ultimate solution can be expected, but rather a consistent and continuous endeavour for finding the actually best solutions, which are based on the principles of protecting minority rights. In this process, the European Union and its Member States should not limit their activities to external relations, but need to develop a minimal co-operation also within the Union itself.

Literature

Offe, C. (1991) "Capitalism by democratic design? Democratic theory facing the triple transition in East Central Europe" in: *Social Research*, Vol. 58, no. 4. p. 869.

Munuera, G. (1994) "Preventing Armed Conflict in Europe: Lessons from Recent Experience". Paris: Chaillot Paper 15/16 (Western European Union Institute for Security Studies).

Toggenburg, G. (2001) "A Rough Orientation through a Delicate Relationship: the European Union's Endeavours for its Minorities" in: Trifunovska, Sezana (ed.), *Minority Rights in Europe: European Minorities and Languages*. The Hague: Asser Press. pp. 205-233.

Sasse, G. (2004) "Minority Rights and EU Enlargement: Normative Overstretch or Effective Conditionality?" In: Toggenburg, G. (ed.) *Minority Protection and the Enlarged European Union: The Way Forward*. Budapest: OSI LGI. pp. 59-85.

Hughes, J. and Sasse, G. (2003) "Monitoring the Monitors: EU Enlargement Conditionality and Minority Protection in the CCEEs". In: *Journal on Ethnopolitics and Minority Issues in Europe* 2003(1) pp. 1-38.

Minority Rights on both sides of the German-Danish Border and their effects after fifty years

Helmut Kuhne

When Libor Roucek and I were asked to give the good example of Czech-German reconciliation, we had the idea to demonstrate this by telling jokes about the Austrians. But we came to the conclusion that this might not be fully satisfying for the other participants in the seminar.

I have heard of the Prussian-Danish war of 1864, one of the so-called wars to unify Germany. I know that Nazi-Germany invaded Denmark in World War II, but I was not aware of the fact that there had been tensions between Germany and Denmark – after the foundation of the Federal Republic of Germany – from 1949 until 1955. The controversial issue was the question of minority rights on both sides of the border, which was drawn in 1920 and had not been touched by the Nazis.

I was born in 1949. I became politically interested at a very early stage in my life, so in the early sixties I could have heard about minority problems being an obstacle for good cooperation between the two countries. But I did not. The problems were gone, and very quickly too. The first time I had ever heard about them was when I was preparing for this seminar.

In 1955 Germany and Denmark issued two separate unilateral – but synchronized -declarations enshrining the rights of the German minority in Denmark and of the Danish minority in Germany. This was not in the form of a bilateral agreement, thus very unique. The charter on regional or minority languages or the framework agreement on the protection of national minorities of the Council of Europe from 1992 to 1995 hardly mentioned any new aspect that had not been covered by the declarations, as Jorgen Kühl, Director of the Department of Border Region Studies in Aabenraa, notes.

The established minority rights are based on mutuality and reciprocity. Both declarations enshrine the basic political rights, among

Helmut Kuhne (Member of European Parliament) is a member of the Committee on Foreign Affairs for the Socialist Group.

which is explicitly mentioned the equal access to all public offices; as far as public officials and public workers are concerned, no difference shall be made between Germans and Danes.

When it comes to cultural identity, it is the individual's choice to declare him- or herself part of a minority. No administrative body has the right to check or doubt such a decision. Using the minority language in speaking or writing shall not be prevented. There is a right to safeguard the religious, cultural and professional ties between a minority and its kin-state. In the field of broadcasting, the respective minorities shall have appropriate participation. Kindergarten, universal schools and adult education institutions – including those preparing for certain professions – are allowed to be established. The German provisions explicitly allow "parents", i.e. also German parents, to send their children to schools with Danish as their main language, though sufficient German shall be taught. The Danish provisions make no mention of these rules. In an additional protocol, Germany assured Denmark of subsidies to Danish schools and both countries agreed to establish minority schools preparing for university, such as the Duborg-Skolen in Flensburg and the Deutsches Gymnasium in Apenrade.

Whenever an administrative or political body decides on public funding by means of discretion, individuals belonging to a minority shall not suffer from any disadvantages compared to other citizens. When it comes to political representation, the declarations of 1955 provided for representation in municipal committees along the numbers of members of the municipal assembly coming from the respective minority. In an additional protocol the German government assured the representation of national minorities on the federal level in the Bundestag, provided that a minority candidate gets the average number of votes for a constituency mandate in the respective *Bundesland*, in this case Schleswig-Holstein. To my knowledge, this has not yet happened, since even in Schleswig-Holstein the Danish minority only stretches in a small corridor along the border.

More interesting are the provisions concerning political representation on the level of the *Landtag*, i.e. the parliament of the *Bundesland*. Here, the Danish minority benefits from an exemption – adopted in 1955 – of the 5% threshold for political parties to gain members in the *Landtag*. Since then, the Danish minority only needs

the number of votes required for one mandate in the *Landtag*. In Denmark the same rule has been applied for Germans on national level since 1920. As I said, the conflict between Germany and Denmark must have vanished very quickly. Fifty years later, there are ethnic Germans (many of them social democrats) who send their children to the Danish minority schools in Schleswig-Holstein because the Danish schools are comprehensive schools whilst the German system is still split up into several branches with a clear class bias. And some ethnic Germans not only voted for the Danish minority party for tactical reasons, but also because they found its approach to educational policy more progressive and convincing.

According to Jorgen Kühl, there are certain elements which have supported sustaining this minority model. I will name some of them, and you may ask yourselves whether they would be applicable in your situation:

- international borders on the basis of plebiscites and their acceptance;
- no tradition of inter-ethnic violence, expulsion or religious conflicts;
- it is the individual's choice to declare him- or herself part of a minority, accepted by the authorities, but not controlled;
- the principle of special relations of the minority to the kin-state is accepted;
- institutionalized dialogue between the government and minorities;
- moderating forces on both sides;
- both countries are rich and can afford subsidizing minority cultures;
- both countries belong to a strong overarching community of open societies with common values.

The Rapprochement Process between the Czech Republic and Germany after 1989

Libor Rouček

In 1989, after forty years of Communist dominance, the people of Czechoslovakia gained freedom and democracy. The year 1989 was a cornerstone in the recent history of Central and Eastern Europe since people in this part of the continent could not only step onto the path of democratisation and European integration, but could also start to organise bilateral relations with countries from the other side of the fallen Iron Curtain. The year 1989 emerged as a huge opportunity to develop friendly and cooperative bilateral relations with neighbours, based on shared values such as freedom, democracy, the rule of law and respect for human and citizens' rights.

The Czechoslovak Republic's main interest in establishing good bilateral relations concerned primarily its big neighbour in the West, the German Federal Republic. Already in 1973 the German Federal Republic and the Czechoslovak Socialist Republic signed a bilateral treaty which nullified the Treaty of Munich of 30 September 1938. Both sides declared to have no territorial claims against each other and confirmed the inviolability of their mutual borders. However, many other important issues had been left out, as for instance the question of the "Sudeten Germans" who after World War II had been violently expelled from Czechoslovakia.

The first step towards mutual contractual rapprochement after 1989 represented the Czechoslovak-German Treaty of 1992 on good neighbourhood and friendly cooperation. In this Treaty both sides declared their borders unchangeable. Among many areas covered by the Treaty, some were of major importance. First, the German Federal Republic confirmed its support to the Czechoslovak ambitions towards membership of the European Union. Second, both partners declared their mutual commitment to support minorities who according to the Treaty had the full right to express, to maintain and to develop their ethnic, cultural, language and religious identity. Third, four bilingual education institutions were set up,

Libor Rouček (Member of the European Parliament) is Vice-Chairman of the Committee on Foreign Affairs for the Socialist Group.

namely the German-Czech Grammar School in Pirna, the Bohemicum Institution at the University of Regensburg, the Czech-German Grammar School in Liberec/Reichenberg and the Czech-German Grammar School in České Budějovice/Budweis. Last but not least, a common historical commission ("*gemeinsame Historikerkommission*") was founded in order to contribute to a better understanding of the common history, mainly of the 20th century.

The next important step towards better neighbourly cooperation, expressed in contractual relations, was the Czech-German Declaration of 1997. The text of the declaration was negotiated by special envoys from both foreign ministries. The declaration was signed in January 1997 by Czech Prime Minister Vaclav Klaus and Chancellor Helmut Kohl who, both being conservative politicians, were facing fierce criticism from both extreme left and right wings of the political spectrum. The declaration was later ratified by both parliaments. The Czech-German Declaration contained three major elements: firstly, both sides acknowledged responsibility for harm and injustice which occurred to some of their citizens during and immediately after the WW II, and they expressed regret for it; secondly, both sides declared their determination not to burden their mutual relations with affairs from the past; and thirdly, they decided to set up a common organisation called Czech-German Future Fund to which the German and Czech governments made donations of 140 million DM, respectively 440 million Czech Crowns. The aim of the Czech-German Future Fund was to serve as a financial source for common cross-border projects aimed at improving mutual relations in the fields of youth cooperation; senior care; common cultural heritage; minority rights; environment; education, etc.

The Czech-German Declaration mirrored the huge improvement in overall relations between Czechs and Germans in the first decade after the fall of the Iron Curtain. Germany has become the Czech Republic's biggest trading partner as well as the leader in foreign direct investments. Hundreds of common enterprises were created and tens of thousands of people actively participated in joint economic projects and cultural exchanges.

In spite of the fact that relations were flourishing with thousands of concrete examples of bilateral cooperation, one major remaining subject still burdened the Czech-German relations: the so called Benes Decrees.

The Benes Decrees is a popular term for a series of laws enacted by the Czechoslovak exile government during WW II in the absence of the parliament. As far as Czech-German relations are concerned, the term is used for the part of the decrees which dealt with the status of Germans and Hungarians in post-war Czechoslovakia and has become a symbol for the expulsion of Germans from Czechoslovakia after WW II.

When in April 1999 in Bonn the Czech Social Democratic Prime Minister Milos Zeman told his German counterpart Chancellor Gerhard Schröder that some of the Benes Decrees was already defunct and as such could not be applied to any present or future legal disputes, he caused an enormous uproar among the Czech public and in the Czech media. Similar uproar erupted in the German media, reflecting the stance of the expelled Germans, after Gerhard Schröder's comment that the German side would abstain from any ownership claims towards the Czech Republic in the future. Statements, by both Milos Zeman and Gerhard Schröder, contributed considerably to the development of good Czech-German relations, now described by political actors on both sides of the border as the best ever in history.

Following a request by the German Christian democratic parties CDU/CSU, the question of the validity of the Benes Decrees became part of EU accession negotiations. With regard to the upcoming EU membership of the Czech Republic, it appeared necessary to ask for legal advice in order to clarify as to whether the Benes Decrees represented a challenge to the Czech accession to the EU. In October 2002, a group of renowned constitutional lawyers under the leadership of the German professor Jochen A. Frowein presented the "Legal Opinion on the Benes Decrees and the accession of the Czech Republic to the European Union". The authors concluded that "the confiscation on the basis of the Benes Decrees does not raise an issue under EU-law, which has no retroactive effect"; and further, that "the Czech system of restitution, although in some respects discriminatory as held by the UN-Human Rights Committee, does not raise an issue under EU-law."

On 1 May, 2004, the Czech Republic joined the European Union. Although viewed by some as the "final" point in the Czech-German relations, since both countries were now members of the European

Union, the Czech government, led by the Social Democratic Prime Minister Jiri Paroubek, issued a declaration in August 2005. In this declaration he apologised to Sudeten German antifascist fighters regarding discriminatory action by the Czechoslovak government after WW II that may have caused distress, when they deserved respect and acknowledgement for their struggle against fascism. As in the case of the Czech-German Declaration of 1997, the government was facing fierce criticism from the extreme left and right wing parts of the political spectrum, actually an indication that the government had done a good thing. Regrettably, the current president of the Czech Republic, Vaclav Klaus, the co-signer of the 1997 declaration, was among the critics. In any case, Jiri Paroubek's courage in pushing the declaration was crowned with success given that the Czech public did not follow the populist voices, but recognised and highly appreciated the necessity of this symbolical act. Simultaneously, on the basis of the declaration, the government announced support for documentation projects to deepen the "historical memory" of the nation.

If there are lessons to be learnt from the Czech-German example after 1989, it is that there are some basic preconditions and requirements to be fulfilled. Firstly, a rapprochement process requires strong political leaders on both sides with the courage to pursue issues and to explain them to the public. Secondly, besides politics, there is the aspect of scientific historical work which should be supported by governments from both sides of the border. In other words: history should be dealt with by historians, whereas politics should be dealt with by politicians. These two elements should never mix. Thirdly, there must be a strong focus on the future. Different types of projects (economic or cultural; cross border cooperation; people-to-people projects) should be supported and pursued. It is the quality of the huge volume of day-to-day relations which helps to overcome the painful parts of history. Our common place is in the European Union where relations are based on mutual values, cooperation and solidarity.

Hungary
Minorities and Populism

Csaba Tabajdi

Populism is a phenomenon we all have to face throughout Europe. Populism is a dangerous menace to democracy, able to take many forms from right to left. But how do we tell who is a populist? The distinction can be tricky sometimes, as all political forces could be considered "populist" to a certain extent due to the effect of the mass media on politics. Real and dangerous populism is to be recognized by its irresponsibility and negligence of the facts, circumstances and constraints, as well as its tendencies towards extremism. When social extremism and/or nationalist extremism go hand in hand with populist rhetoric, then we should all be aware that the very essence of democracy is in danger.

The increase of extremism – especially right wing, nationalist extremism – is a phenomenon not only present in Central and Eastern Europe, but it is particularly dangerous in that region. A good example of this is the right-wing opposition party, Fidesz, in Hungary. Fidesz' leader Viktor Orbán knows that painful reforms are unavoidable if we want to modernize and create sustainable social systems in Hungary. But despite that, Fidesz comes forward with a populist rhetoric in a "socialist" disguise, opposing all necessary changes. It plays on the social vulnerability, the fears of the people and the nostalgia towards the "socialist era", where social security – albeit on a lower level – was assured to almost everyone. While Fidesz heavily opposes every measure of the government on a populist stance, it fails to come forward with any alternative.

What can we do to counter the rising tide of extremism in Europe? First and foremost we have to stick to our European values and principles, meaning that we have to keep up the "*cordon sanitaire*" – the quarantine area – around the extremist political parties of any kind. This is a precondition to preserve the health of our democratic systems. Being pragmatic and referring to "political necessity" is not an excuse for any co-operation with the extreme

Csaba Sándor Tabajdi (Member of the European Parliament) is Head of the Hungarian Delegation of the Socialist Group.

right or left. This is a slippery slope that leads to human tragedies of all kind, and that, I believe, we all want to avoid.

We have to be aware that minority groups are particularly endangered by extremism and populism because of their strongly nationalist, chauvinist and xenophobic character. Safeguarding minorities should be a priority for the EU, yet this role is quite controversial at the moment. Many in Europe underestimate the importance of the question of minorities. They give simplified answers, especially in the case of new minorities. Several countries in Europe have failed to fundamentally reform their reserved approach to minority issues, being hesitant in creating EU law and/or agreements to tackle the issue. This is the main obstacle that stands in the way of elaborating a legally binding minority protection mechanism at EU level. EU Member States such as France or Greece do not acknowledge the existence of minorities as such, and refused to ratify the two legally binding instruments of the Council of Europe.

The 2004 and 2007 enlargement rounds of the EU cracked this controversial approach wide open. Despite the fact that there are no Community standards in the EU on minority rights, the EU insisted on promoting and monitoring minority rights in the applicant countries. This, on the one hand, clearly had a beneficial effect on the situation of minorities. But on the other hand, the regular reports on the situation of minority rights in the ten new Member States also reflected the contradiction that the criticism formulated by the EU was lacking a clear set of criteria and a consequent approach. What had been criticized in one report was left out a year later, while in the meantime no actual improvements had taken place.

Even with the above mentioned drawbacks, the leverage of the EU was considerable during the EU accession process. But after accession it diminished. This is what I call double standards within the EU: we do not expect our very own club members to obey the rules that we set for those who want to join. Fixing the double standards problem is key to the credibility of the European Union. While we are not coherent, we cannot expect our leverage to grow in promoting human and minority rights in the world. We face difficulties in addressing justified criticism towards Russia or China, because there remain considerable minority problems within the borders of

the EU. This credibility gap can only be overcome by adopting common rules for which the Member States could be held accountable and by reinforced monitoring mechanisms both throughout the accession process and during membership. Co-operation with the Council of Europe and the development of the newly set-up Fundamental Rights Agency can be pivotal in this quest.

I strongly believe that the issue of minorities is very important to the future of Europe and that it is of utmost importance to reinforce the legal protection of minorities at European level. Countering extremism and respecting minority rights are preconditions to safeguard our European values, to maintain our internal stability, to develop friendly neighbourly relations and to promote good regional cooperation.

Slovakia
Populism in Slovakia's current Political Situation

Monika Benova

Populism in politics can be categorized as positive or negative. Negative populism is mostly used by nationalist and extremist political parties and movements. Conservative politicians are often more likely to use one-liners, for instance on sensitive issues as equal opportunities, registered partnerships and adoption rights for gays and lesbians, and on abortion. Nationalist politicians express populism by focusing on the "enemies" of the dominant nationality in a country. On the other hand, leaders representing national or ethnic minorities demonstrate populism by pointing out "hostile" activities and animosities of the national majority. It is remarkable to see that the vocabulary and argumentation of both political movements are almost identical and their role within the political scene has a high profile.

Pointing fingers at the past is a well-known phenomenon in Slovakia, and probably also in other post-communist countries. Populist rhetoric focuses mainly on the period prior to the transformation, as well as on the dissolution of Czechoslovakia. Therefore, right-wing parties like to use expressions like "Bolshevik" and "communist" for members of left-wing parties who are former members of the communist party.

The nationalists use arguments to alienate those who supported rational and deliberate decisions during the transformation period. Issues that are linked to the Slovak-Hungarian relationship are also part of the national populist rhetoric. Here it is important to state without prejudice that there are two parliamentary parties, and particularly their highest representatives, who carry equal responsibility. One of the extreme populist parties in the past was led by former Prime Minister Vladimír Mečiar. Nowadays, this party has shifted to the position of a nationalist party with an electoral support of less than 7%.

Monika Benova (Member of the European Parliament) is Head of the Slovak Delegation of the Socialist Group.

After the elections in 2006, a situation occurred in which the social democratic party SMER-SD won the polls and had to decide upon its coalition partners. It is important to note that the necessary parliamentary threshold had been reached by the SDKÚ-DS (a conservative party which for eight years held the leading position in the previous government coalition), the SNS (the Slovak National Party whose programme is based on nationalist and conservative ideas), the SMK (a nationalist party focusing explicitly on the Hungarian national minority and considered to be conservative oriented but with a strong broad liberal wing), the KDH (an ultra-conservative Christian movement), and the HZDS- S (Mečiar's party which tries to enter into liberal European structures but with a nationalist oriented political programme).

The socialist Chairman Robert Fico had to choose from five right-wing oriented parties out of which two have a strong nationalist background, one is ultra-conservative and the other two are viewed as conservative in orientation. Finally, the choice was made in favour of the SNS (Slovak National Party) and the HZDS- S (the Movement for a Democratic Slovakia). Was this the right decision? Only time will tell. Today, we can assume that Fico chose partners with whom he did not need to make any major compromises. In the first months the government took several actions under his leadership that could be perceived as populist but positive. With these measures Fico gained the support of a majority of the population and these steps did not in any way jeopardize the enormous economic growth of Slovakia.

The Prime Minister took over the agenda of Dzurinda's government to implement the necessary but not always popular measures for introducing the Euro, clearly a very sensitive issue within his own electorate. He is successful (for the time being) in blocking the former rhetoric of his national coalition partner SNS, and he consequently maintains the status quo of minority rights. Furthermore, Fico reduced the negative side effects of the previous government's necessary economic and social reforms, although sometimes with the use of a single decision, such as the Christmas allowance for older people. All this can be perceived as populist, but certainly not as a negative form of populism.

In my contribution, I have tried to give some current examples of populism in Slovakia. To conclude, the situation in the country is politically and socially stable and I believe that a positive form of populism can in certain ways be useful for a society. It can also be used to restrain negative populism. Positive populism is a well known phenomenon even in countries with longstanding formalized democracies and with successful statesmen and women. For the future, it is very important to keep the sensitive and delicate line between the positive and negative face of populism.

Romania
The Transition from Democracy to Populism

Adrian Severin

Shock without Therapy

The collapse of the real communist order in Central and Eastern Europe, at the end of the last century, started with the transition from totalitarianism to democracy, from command economy to market economy and from a closed and controlled society to an open and free one. At a global level, it meant the end of the bipolar world order, drawing to a close the Cold War – more due to a lack of combatants than to a clear victory of the western capitalist bloc – and the start of the transition towards a new kind of world order. The radical transformations within the former communist bloc and at the global level inevitably led to changes in the way of life and in the strategic objectives of western democracies, also forcing them to undertake internal structural reforms and consequently involving them all in a specific process of transition.

According to analyses, Central and Eastern European countries followed two patterns of transition, each an indication of a different degree of political will for change and for breaking with the communist totalitarian past: shock therapy and gradual therapy. This was the basis on which the Visegrad Group was formed – Hungary, Poland and Czechoslovakia – regarded as the champion of shock therapy and thus more apt for a rapid integration in the Euro-Atlantic structures. Bulgaria and especially Romania were seen as exponents of the gradual therapy. The countries of the Visegrad Group are supposed to have undergone transition in a post-communist period while Bulgaria and Romania have delayed it, at best, in a neo-communist phase or even worse, in a crypto-communist era. In fact, that distinction had more to do with external geopolitical explanations than with internal politics; Poland, Hungary and Czechoslovakia had a common border with the Euro-Atlantic bloc and therefore seemed the most suitable and desired for the first eastern enlargement. The vacuum left by the Soviet retreat had to be

Adrian Severin (Member of the European Parliament) is Head of the Romanian Delegation of the Socialist Group.

filled and the West, taken by surprise, did not manage to imagine more than a minimal and prudent *Drang nach Osten* (jump to the East).

Not long after the beginning of the transition, when, in the Visegrad countries, leftist governments were brought to power on the wave of social discontent about radical economic reforms, some voices began to criticise the shock therapy. Because of the social suffering this had caused, it was supposed that communists – even if reformed – returned to the political stage with the risk of compromising the rapid and total transfer of the western way of life.

The distinction between the so-called "reformed communist" and "unreformed communist" parties was simply that the first category was established on the ruins of the former Soviet communist parties under the pressure of their dissident Marxist wings. As the Romanian Communist Party did not have such a wing and the Romanian post-communist leftist parties were developed without such a succession line from the single party, they were abnormally qualified as "unreformed communist parties". Thus all parties of the modern left were labelled unreformed communist parties since they did not originate from reformed communists, respectively from dissidents. What was demanded of the "reformed communist" left, in exchange for the western support for integration was to apply the economic policies of the neo-liberal right, synthesised in the so-called "Washington Consensus" and the democratic reforms listed in the so-called "Copenhagen Document".

Today, when most States from the former communist bloc (including the Baltic States) have become NATO and EU members while the USSR has disappeared, socio-economic studies show that the results they achieved are approximately the same, regardless of the therapy they applied, be it shock or gradual. The levels of economic growth and democratic liberties, as well as those of social dissatisfaction are more or less the same. Hence the conclusion of some analysts that the chosen model of transition did not matter after all. The lack of significant gaps in the results can be explained by the fact that, in reality, the model applied differed only in the mind – often marked by prejudices and geopolitical interests – of those who evaluated or described them. Everywhere, there was a shock. Otherwise change could not have

taken place with the necessary depth, direction and speed. The intensity and effects of the shock differed according to the size of the country or society, to the volume and rhythm of foreign investments and to the cultural traditions of the post-communist national political elite. The problem is that the shock – however powerful – was never and nowhere associated with a specific therapy. Everywhere in post-communist Central and Eastern Europe, we had to deal with a shock without a therapy. This explains a large part of the most important post-transition problems.

The Post-Communist Epistemological Crisis

By defining equality as the most important value and as the basis for societal organisation, communism originally offered a sense of existence, mobilising people against any expression of inequality. According to communist doctrine, it was not a matter of equality as a means (as in the liberal equality of opportunity formula) and not even as a goal (as in the social democratic vision of public redistribution) but as a matter of equality as a result – granted by the almighty and unique leader or party. In this approach, hostile or competing social classes were to be abolished by reducing everyone to the status of a proletarian. It was believed that such equality would naturally guarantee societal cohesion and coherence, thus spontaneously generating collectivist solidarity. This theory, in which many believed, became almost a substitute for religion.

However, at a certain point, it became obvious that compulsory equality is synonymous with denial of freedom and that without freedom, progress is impossible. In such conditions equality could only be maintained by force. Poverty forced some people into a fight for survival. In a first phase that fight destroyed solidarity, and in the second phase equality itself. Lacking real financial capital, members of communist society tried to solve their living problems by accumulating and using "social capital" (the capital of connections, friends, information). The "great capitalists of communism" – exhibiting monopolistic leanings like any other capitalist – created a category of privileged people commonly known under the title of "nomenclature". They were not able to operate other than by corrupting the communist system which they also controlled and led. Thus, corruption became the way of managing the public sphere. The

communist order which should have been one of equals, and thus an essentially honest system, became objectively corrupt. Inequality and selfishness took the place of equality and solidarity, sacrificing freedom and honesty. The myth built around the communist set of values collapsed and left all who believed in it without a model that would guide their thoughts and actions.

Post-communism proposed another set of values and promised that it could be applied in practice as it was not utopian, unlike the communist dream. The "post-communist" or, maybe, the "capitalist dream", placed in its centre – almost in symmetry with communism – the ideas of freedom, prosperity and solidarity. Freedom produces prosperity, and prosperity is the only resource that allows the creation of a "welfare state", by redistribution and public services. Communism distributed poverty through the instrument of dictatorship; capitalism redistributes through the instrument of democracy the welfare produced in and through freedom. In effect, the (surrogate) religion of communism was replaced with the (surrogate) religion of capitalism.

The post-communist society in transition, which struggled to become capitalist, was characterised by the absence of private capital, a middle class and civil society. The collectivism previously imposed through totalitarian means was completely different from the communitarianism required for the well functioning of a pluralist democracy. Under these conditions, it was almost impossible for the mechanisms of transition to stop the primitive accumulation of capital and the transformation of the communist type of "social capital" into financial capital to be used in an insufficiently regulated free market and structural corruption to become a means to manage public affairs. In the context in which over-regulation was replaced by the shock of de-regulation, common people felt – justly or wrongly – abandoned by the state. After losing their trust in public institutions, they searched for protection from the private local oligarchs, a product of the above mentioned transformation processes. The latter began to compete with the state trying, at the same time, to weaken and control it, and enjoy the privilege of its protection. The state could not function unless a significant part of the public money became private money and entered the circuit of a secondary or tertiary redistribution.

Thus, trust in the values of capitalism, transformed in its turn into a myth, also collapsed. Freedom as a mechanism of organisation and activation of society was and is increasingly felt as a useless burden, as long as its concrete benefits are, at best and for most, frugal. The mobilising and inspiring promise of prosperity was disqualified by the worrying contrast with the reality of permanent uncertainties: economic, financial and monetary crises, bankruptcies, detrimental privatisations and unemployment (both corrective and structural), the precariousness of social protection and the skyrocketing costs of public services. Compared with the certainties of the communist "desert", the capitalist "jungle" seems too much like unleashing an Armageddon. Such a comparison in itself trivialises the values which legitimised post-communism. Eventually, the expectation of solidarity was compromised by the terrible social polarisation resulting from transition. It did not only lead to the exclusion of a large portion of the poor but also to the isolation, or auto-isolation of the rich, in a society in which fortune arouses hatred and is regarded as the lawful expression of corruption.

The European integration process – and external pressure in general – has led to an adjustment of the transition, as it was described above, giving a certain order, balance and transparency, rationalism and positive spirit to this process. Thus, anarchic democracy became more of a participative democracy and the "prey" economy acquired the main standards of a functional market economy. However, this has not changed too much the things at epistemological level, i.e. in the areas of values and the capacity to find the meaning of life.

The deepening of this epistemological crisis that followed the trivialisation of the post-communist values and the loss of confidence in them has two additional explanations. Firstly, it concerns the bureaucratic framework in which the preparation for NATO and EU accession of the countries in Central and Eastern Europe took place. The necessary reforms were imposed rather than explained. The population was forced to accept them rather than being helped to understand and assimilate them. The strategy of progress through introducing modern foreign norms with no domestic content, instead of inspiring and mobilising the population, only confused and alienated it. Moreover, because the integration

policies often contradicted the growth policies of the countries involved, a feeling was generated that NATO and EU enlargement are not the expression of a superior ideal of reuniting Europe and of reconciling Euro-Atlantic geography with the history of the Euro-Atlantic space, but a new form of foreign domination, though – it is true – one more reverential to the individual's rights and more promising for the future than the old system. People got the feeling that the old order had died without a new one replacing it. Western democracies had been confronted with the same kind of vacuum after the end of the Cold War.

Secondly, while at national level the feeling of a "*fin de siècle"* is already very much present – but not always acknowledged –, things are even more serious at global level. International relations were marked by crises, negatively affecting international law, and the outburst of post-cold war conflicts – from Chechnya to Kosovo, from Iraq to Transnistria and from Nagorno-Karabakh to Afghanistan. A democratic framework to deal with these crises is lacking because trans-national democracy does not manage to affirm itself. Ordinary people therefore have the impression that the plane is flying to an unknown destination with no pilot in the cockpit.

Against this background, fundamentalism and populism are developing, as a consequence of the general epistemological crisis. Their echo in Central and Eastern European countries is all the more powerful as the questioning of values is more dramatic in that region and the hope that change will bring quick improvements has created unreasonable expectations, followed by commensurate disappointments.

Populism and the need for Myths

Populism is a technique by which democratic instruments, mechanisms and procedures are used in contempt of and against the purposes of democracy. For this reason, populism is potentially fatal for democracy. Between populism and democracy there is such a substantial contradiction that it is forcing democratic forces (right, centre or left oriented) to fight it without hesitation and with the same energy with which they fought and fight against extremism – right wing (fascist) or left wing (communist).

Populism is an indisputable reality of today's Europe. The question is why it enjoys such a success. The answer can only be that populism answers a profound need, essential to the human being. Otherwise it would not exert such an attraction for the masses and would not be so dangerous. What is that need then? It is the need for myths! That means the need for a model of society, supposed to have been confirmed in practice and having the reputation of being perfect, whose accomplishment or repetition would offer a superior motivation to human existence and an explanation or direction for social action.

The ideal is that human beings establish real and realistic targets. In principle, nobody pursues unrealistic targets. But as one cannot tell for sure what is realistic and what is not, the realism of a present project can be measured by reference to historical achievements. If a target was once reached, it means that it is reasonable to think that it can be reached again. If in the past reaching a target has brought happiness, then, reaching it in the future will have the same results.

Such logic is not bad. However, the myth is not real but fictional history. It does not describe the past as it was but as we wish it had been. As an aspiration and mobilization tool for self-improvement, the myth can play a positive role, like the archetypical myth of European unity. The problem appears when the human being takes the myth for real; and this occurs when he does not like reality and therefore refuses to believe in it, choosing to take shelter in an illusion, a dream, a possibility, a virtual space. Those who cannot ensure their material security, those unhappy with the results of concrete action take refuge in symbolic security. They hide in myths of a tribal nature that start from differentiation and confrontation. This is the basis of populism.

Regarding populism, there is a series of preconceived ideas that have to be discarded or nuanced. Thus, it is stated that: a) populism goes hand in hand with illiteracy; b) populism goes hand in hand with poverty; c) populism goes hand in hand with ageing (in the sense that young people would be less vulnerable to the populist message); d) populism goes hand in hand with nationalism; e) populism goes hand in hand with extremism. In practice, these theses

do not stand, or at least not in such clear-cut formulation. There are highly educated populists, rich populists, young populists and non-nationalist populists (though national-populism is the most dangerous form), and they all require certain myths. Ultimately, populism can be identified with extremism to the extent to which it is based on anti-system (and anti-democratic) attitudes and policies.

Populism uses the rules of the system it denies. Sometimes populists therefore achieve the performance of being at the same time in government and in opposition. The victim is always the system and that is why the system has to endow itself with the norms and methods to forbid populism. Otherwise this ambivalence makes populism acceptable. The apparently reasonable character – populists often hypocritically refer to reason – associated with radical content, increases the scope of populism to seduce masses, while in fact abandoning its interests. The resulting moral decline and undermining of social cohesion make corruption a *sine qua non* consequence of populism, and populism an extreme danger for any social order and especially for the democratic order.

All these nuances are important because, on one hand, they show the limited efficiency of some remedies such as increasing the general level of education and information in the population and, on the other hand, they indicate the danger of any form of complacency towards, or cohabitation and cooperation with populism. Populism cannot be fought by adopting – not even *cum granum salis* – populist slogans, themes or methods, but by offering distinct agendas capable of inspiring the mass of the population.

The European Dream

After decades without major conflicts on the European territory, peace is no longer a federalizing idea and cannot serve as a positive myth. This vacant space must thus be filled by defining a new "European dream".

Ideas such as the "reunification of Europe" or building a "European demos" – developed in the same way as nations were created from almost nothing, or creating a "European identity", are essential. National democracy is indisputably in a crisis which it cannot overcome by re-heating the myths of the 19th century. Confronted

with the impossibility of satisfying with limited national resources the expectations of a population effectively living in a global world, the governments of nation-states must reinvent national democracy, merging it with both trans-national and local democracy. As democracy without demos cannot exist, it is necessary that a "European cosmopolitan nation" be invented, alongside the national demos and the local communities, with a strategy to link all three. Such a new sphere does not destroy cultural nations or civic nations but it creates a new space of security and evolution for them. Therefore, excluding from the European Treaty of Lisbon the ensigns and symbols of the EU (the "living soul" of the Treaty, as some called them) was a populist act that, like all populisms, seemed to solve a problem quickly but eventually turned against its very purpose. Reducing European symbols does not allow more space for affirmation of national symbols, ever emptier of content and with forgotten significances. The cohesion elements of a trans-national political structure, once discovered and adopted, will create conditions for rehabilitation of national cohesion, offering more real national security to real citizens.

As a hypothesis that remains to be demonstrated, one can advance the idea that "security" may lie at the centre of the definition of the present federalizing "European dream". It concerns a four-dimensional security: individual or personal; collective or social; national or cultural; international or global. Starting from this point we must explain to citizens that:

Security of each individual against the aggression of organised crime, terrorism, illicit migration, illicit trafficking and other unconventional threats which have globalised, can be better guaranteed through the joint effort of all Europeans, on a territory where state borders in effect are no longer a barrier for criminals;

Labour, education, health, environment, security and so on, can be safeguarded only by gathering resources of Member States and by jointly managing them; in such a context the migration phenomenon can be turned from a danger into a challenge and from a challenge into an opportunity for the development of European civilization and cultures.

Ethno-cultural security in a Europe without internal political dividing lines and lacking the potentially conflictual duality between "national majority" and "national minorities" can be promoted, as cultural rights will have been separated from territorial rights and "cultural nations" will have been reunited without resorting to border modifications;

Security in international relations will certainly consolidate as a result of transforming Europe as market into Europe as a power capable of competing with the other major global actors, to protect and promote the specific interests of Europeans, represented by European values and lifestyle.

The ever-increasing insecurity of European citizens, emphasized by their epistemological crisis, will force them to seek shelter in environments other than the national one, which is presently characterised by a crisis of values, institutions and efficiency. The direction European citizens will choose may be the one indicated by populism, and which will take them into neo-feudalism, or the one that is indicated by the spirit of visionary democracy, which can take them into post-modernism. Ultimately, the choice will depend upon the capacity to associate the science of managing with the art of inspiring. The "European dream" centred on the archetype of security could make the difference.

The Case of Poland

Józef Pinior

Polish political history of the 20th century is marked with huge waves of strikes at the beginning and at the end of the century. The revolution of 1905 – in Russia and in the Kingdom of Poland (Polish provinces under the Russian rule) and its big industrial centres of the cities of Warszawa and Łód and the mining region of Zagłebie – formed the foundation of working class movement and socialist parties. The Polish Socialist Party (PPS) united a socialist programme with a pro-independence movement. After the state resurrection, its leaders took a leading part in the creation of the democratic constitution of 1918 and a modern labour code, one of the first of such kind in Europe. PPS, a member of the Socialist International, remained one of the main political parties in Poland until 1948. After the Coup d'Etat, carried out by Józef Piłsudski in May 1926, PPS became the guardian of democracy, fighting against the authoritarian regime and the clerical tendencies of the Roman Catholic Church, and actively supporting women's rights. In 1938, the Communist Party of Poland, which emerged from the Social Democracy of the Kingdom of Poland and Lithuania (SDKPiL), was declared dissolved by the Comintern. In the 1930s, almost the entire leading cadre of the party was murdered in Stalinist purges in the Soviet Union.

Similar to the workers' strikes of 1905, which became a landmark of modern politics in Poland, the general strike of workers and intelligentsia in the summer of 1980 and the consequential foundation of the trade union Solidarity (Solidarność) were crucial for the democracy and sovereignty of Poland after 1989. Therefore, it is strange how weak the Left in Poland is at the moment. The parliamentary elections of 2005 and 2007 created a political scene of conflict between two big political blocs: the conservative-liberals (Civic Platform) and the ultraconservative-nationalist-populists (Law and Justice) and marginalised the Left to about 12 percent of the electorate. If this tendency continues, it may diminish the quality of Polish liberal democracy and, consequently in a long term per-

Józef Pinior (Member of the European Parliament) is Vice-Chair of the Sub-Committee on Human Rights for the Socialist Group and co-founder of the then-underground Radio Solidarność.

spective, violate personal and civil liberties. Polish politics without a strong social democracy weakens both Polish democracy and European politics. In this essay I will try to outline some elements which – in my opinion – have led to the present situation.

Violence against the working class

It is impossible to understand today's Polish politics without the phenomenon of Solidarity and the martial law period which began in December 1981. Democracy and sovereignty after 1989 were the result of internal evolution, workers' strikes, active opposition, strong civic society, the autonomy of the Roman Catholic Church and the decision to start liberal and democratic reforms in General Jaruzelski's circle in the late 1980s, although it mainly became possible due to external conditions, namely the crisis in the Soviet Union. Solidarity was created in September 1980 as a result of the general strike and was, basically, a workers' movement which, sociologically, was frequently analysed in the field of academic research in the background of "young" working class movements of the second half of the 20th century in Brazil, South Africa and other countries. The two most important documents of those days are "21 Demands of MKS" (a list of strike demands issued in summer 1980 by the Interfactory Strike Committee, MKS, in Gdańsk Shipyard) and "the Programme of the Self-governing Republic" – the official programme issued at the first congress of Solidarity in autumn 1981. What is striking about these documents today is their egalitarian and liberal character, a combination of classical social demands with demands of civic and political nature. "The Programme of the Self-governing Republic" presents a vision of democratic socialism, an original mixture of a self-governing society based on economy combining planning, workers' self-government and market. The first Solidarity was intellectually influenced by oppositionists led by Jacek Kuro , an ex-dissident of a communist movement, and his group of revolutionary youngsters. The Workers' Defence Committee (KOR) emerged after a suppressed labour strike in Radom in 1976. In the 1970s, Poland witnessed a political alliance against the non-democratic establishment – clearly embedded by KOR – between the liberal intelligentsia, who often originated from the communist movement and the Roman Catholic Church. The intellectual foundation of this alliance was laid by Adam Michnik in his book *The Church, the*

Left, the Dialogue, published in 1977. It must be remembered that while speaking about those times, we are speaking about the open, post-conciliar Church which defended human rights and democracy. In Poland, especially under the martial law, relations between the Church and workers and the opposition were similar to those in dictatorial Brazil or Chile. Then, a part of the Church in Poland resembled a Latin American church of liberation theology rather than today's Church of Father Rydzyk's radio station.

Hence, the first Solidarity was a multimillion movement of workers and intelligentsia gathered under the banners of freedom and justice. The martial law of General Jaruzelski, imposed on 13 December 1981, led to the outlawing of the Solidarity trade union. Essentially, martial law involved the use of force, repression and persecution against trade union activists, academics, artists and indeed all those who refused to be enslaved by the post-totalitarian regime. Under martial law violations of human, civil and political rights were commonplace. Over ten thousand individuals were either imprisoned or sent to internment camps during that period. Many people gave their lives in defence of Solidarity. On 16 December 1981, nine miners were killed by special militia units as a result of the brutal dispersal of demonstrators at the *Wujek* mine, and 21 others were injured. The repression of the workers was extremely brutal. The activists were beaten at police stations and jails, deprived of dignity, expelled from factories, forced to emigrate. Solidarity won on the symbolic level but its working class backbone was broken. The young working class was deprived of their natural trade union leaders who had emerged in the strikes of 1980-81. At the time of the democratic turning point in 1989, workers were merely a background for the elites of the state and opposition.

The shock therapy

In such circumstances came the election in June 1989. It must be borne in mind that it was only partly democratic. The ruling Polish United Workers' Party (PZPR) and their allied parties were guaranteed 65 per cent of the lower house of the parliament. The elections for the Senate and the remaining 35 per cent of the lower house were fully democratic. It was this partially democratic parliament that introduced crucial economic changes, later called the

Balcerowicz Plan, on the turn of 1989 and 1990. This Polish shock therapy led to mass unemployment and lowering of social guarantees, to pauperisation and widespread sense of humiliation and harm. The Balcerowicz Plan was supported by the contractual parliament (that is, the parliament with the fixed seats for the Communist party and the opposition) and Solidarity elites. And in these first moments, no serious political party was able to emerge from Solidarity to question the shock therapy. Attempts to rebuild the Polish Socialist Party failed. The lack of free parliamentary elections created unfavourable conditions for political party formation. The widely criticised contractual parliament was dissolved only 26 months after the formation of the first "Solidarity" government. The first fully free election in Poland took place in October 1991. The Left present in the parliament – both the post-communist one and the one originating in Solidarity – was identified with the Balcerowicz Plan. Opposition to the shock therapy was born on the outskirts of the political scene. Anti-Balcerowicz rhetoric began to be used by nationalist groups and new populist movements.

This is not the place for an evaluation of the character of the radical changes that happened in Poland after 1989. The economic transformation has been analysed repeatedly; recently in David Ost's *Defeat of Solidarity: Anger and Politics in Post-communist Europe* (2005) or by Naomi Klein in *The Shock Doctrine: The Rise of Disaster Capitalism* (2007). It is difficult to talk about the connection between the Polish transformations and the Third Way tactics of Western social democracy. Firstly, because since 1989 we have not seen in Poland a single social democratic party that is rooted in the working class movement or allied with trade unions as is the case with the British Labour Party or the Democratic Party in the United States. Secondly, Poland has dismantled the welfare state system instead of reforming it, as happened in other countries ruled by social democratic parties. So far social demands have been monopolised to a great extent by Law and Justice, Father Rydzyk's media corporation and other populist factions. Left-wing parties are unable to present a clear strategy of rebuilding the Polish welfare state, based on plans for development of infrastructure, education, health care systems, or the housing sector.

European politics

A historic success of the left-wing government was to bring Poland into the EU after the winning referendum campaign in 2002-2003. The Left managed to get support for the "Yes" from centre-right parties as well as from the Roman Catholic and other churches. The referendum mobilised Polish citizens and the electoral threshold exceeded the required 50 percent. However, the Left was not able to turn its victory into the formation of a socially supported social democratic party. On the contrary, the election was lost and the left parties marginalised. Similarly, during the rule of the Kaczyński brothers during 2005-2007, the Left was unable to become the main platform of opposition against the anti-European government. A weak electoral campaign of the Left and Democrats (LiD) led to a situation where Donald Tusk's conservative-liberal party was the only alternative to the populist right of Jarosław Kaczyński. A unique chance to get a long-lasting social legitimization and to become the symbol of a European and democratic Poland was lost.

What is to be done? First of all, run a political campaign for ratification of the Lisbon Treaty in the short term. European politics – due to anti-European actions of Law and Justice – has now become the main line of political division in Poland. The Lisbon Treaty brings the Left closer to liberal groups and allows political alliances with liberal democratic forces. Secondly, adjust the European model of a social market economy to Polish conditions and make serious political alliances with trade unions. Thirdly, defend the rule of law, personal liberties, and the rights of women and minorities. An extensive political campaign for the Charter of Fundamental Rights has to be initiated; Roots in civic society need to be put down; and independent media and research initiatives have to be started. The chance for the Left lies also in circles of young left intelligentsia, active mainly in big cities, publishing their own journal called "Krytyka Polityczna" ("The Political Critique"). The coming months will be decisive for the position of social democrats on the Polish political scene – either they will enter mainstream politics or remain permanently on the margins.

Bulgaria
Post-communist Transition, Economic Transformation and its Social Consequences in Bulgaria

Atanas Paparizov

First of all, I would like to agree with the analysis of post-communist transition made by Gabor Hunya and Michael Dauderstädt. It is true that economic transformation to a market economy in Bulgaria was based on the so-called Washington Consensus. It contains the basic policy elements of market economy: liberalization, stabilization and privatization. Carrying through these reforms was also the pre-condition of EU accession. Thus the policy of the EU coincided with that of the IMF.

In the case of Bulgaria, because of the moratorium on foreign debt payments declared in 1990, there was practically no option of following an economic programme other than the one agreed with the IMF and the World Bank. This transformation policy was criticised a lot because it caused massive devaluation of past achievements (assets, skills, institutions, technologies) and caused a lot of social strain. It wiped out work-places and job opportunities, hitting the unskilled workforce first. Some of the problems could be overcome as a result of the European prospects for Bulgaria. The biggest difficulties were to cope with the lack of efficient governance, inexperienced administration and a lot of red tape which created potential for bribery and corruption.

As a result of the intensive cooperation with the EU and EU Member States and market economy reforms, Bulgaria has been able to grow faster than old EU Member States, primarily because it has become attractive for foreign investors. Economic growth accelerated further after EU accession. Despite the recent success story in terms of economic growth, inflation has not substantially declined and what is really worrying is that increases in labour productivity are slowing down, trade deficit is rising and competitiveness is

Atanas Paparizov (Member of the European Parliament) is Head of the Bulgarian delegation of the Socialist Group.

inadequate. Unemployment is going down but social indicators, especially inequality indicators have not improved. In the search for increasing competitiveness, Bulgaria – like most countries in Central and Eastern Europe – reduced taxes and streamlined social services, further aggravating social problems.

Economic growth coincided with rapid structural change, a shift to services and de-industrialization. At present some re-industrialization is taking place, driven by foreign direct investment. Rapid changes in economic structures and job opportunities were a real challenge to wage-earners, many of whom could not cope. This affected the traditional attitude to the role of education as the economic constraints also contributed to lowering the traditionally high status of teachers and professors. Now, the most urgent need is to raise the quality of education and its capacity to prepare graduates who will be competitive in the information society.

Membership of the EU, together with the economic effects of transnational market integration, creates winners and losers. The winners are those who are mobile, young and qualified in foreign languages, with other skills important to knowledge economies, while the losers are those stuck in declining regions, the elderly, and people with either obsolete qualifications or none at all.

The coalition government in Bulgaria reacts to social problems mainly by increased social spending. Structural changes in the labour market and in health and education are still insufficient. They represent the major challenge until the end of the present mandate. The outcome of the 2009 national and EU elections will depend a lot on the results in these areas.

Regarding political developments, our main concerns are growing populism and voter apathy. We are in a process of developing a new party statute and a new party programme aimed at increasing internal party democracy, opening the party more to society, and increasing transparency in decision making.

It is also our aim to find the most adequate social policy priorities in the era of globalization and increased international competition. Not only do we need to answer the question of how to live up to the expectations of our members, but we also have to find a way to stimulate our citizens to live and work in Bulgaria. After the accession to the EU, contrary to the expectations of many of our partners

from abroad, an increase in emigration has not taken place. The new opportunities which have opened up for Bulgarians in the EU create a challenge for government and private companies to create conditions, especially for the highly qualified, which encourage people to continue to work in Bulgaria.

Printed in Belgium by Antilope
Graphic design: M2M