

Chapter I. Recent History of Eastern Europe. 1945-2004

1.1 Definition of Eastern Europe

Most of the people identify Eastern Europe as the area that once had communist influence. Even in the “Encyclopedia of the United Nations and International Relations” of the year 1985, Eastern Europe was considered an international region, geographically integrating the European part of the Soviet Union (160). It is true that communism is a big part of their past, but it is not the only event in history that represents them.

Eastern Europe is conformed by many countries that have had similar stories; their history will always be present because that is the one thing that characterizes them all. In general, for the purpose of this analysis, we are going to consider Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary and Slovenia as the countries that constitute Eastern Europe. But who are they? Why focus so specifically on Eastern Europe? Even though these eight countries have had similar histories, it is also important to see the particular events or situations that have characterized each of them.

Fifteen years ago, after 42 years of Communist regimes, Eastern Europe became democratic. For most of the people this change has represented a big change in their lives, for some it has been for the better but for others it has been a change for the worse. The Yalta Conference (Europe’s postwar reorganization held in February 4-11, 1945) was the preamble for the definition of the boundaries that Stalin, Roosevelt, and Churchill agreed to settle. They drew a line on the map along the river Elbe. That was the official division, but in practice, those boundaries had long been there. The whole of Europe, including Germany, was then divided between the Eastern and Western powers. Iván T. Berend, Professor and Director of the Center for European and Russian Studies at UCLA, describes Eastern Europe as a region with a different political system, a different economic system and, above all of these, different conditions of life (Berend

1986, 329). He is not the only one to have this view. Especially for the West, Eastern Europe did not only represent something different during the period of the Cold War, but it is still being labeled as a region with a backward and different population.

The differences that separate Eastern Europe from the rest of the continent have their source in divergent trends within early feudalism. The immense area between the Elbe and the Urals was populated by peoples of Slavic, Finno-Ugric, and Turkic origin. From the 7th century onward Europe was divided into two: a coherent Roman-Germanic world in the West and a separate Byzantine-Islamic world in the East. Settlement patterns and ethnic conditions in the East were still in a state of flux, however, when their equivalent in the West had already been determined. (Berend 1986, 330)

That mainly happened because at the time when other European nations were opening into the modern world, introducing political as well as economic changes, the countries of Eastern Europe, excluding Russia, were not able catch up, that is when their backwardness begun. Before 1945, Eastern Europe had a very different political system, this was the stage when these countries enjoyed a little bit of freedom and democracy in many cases. They also had more commercial relations either with West or with Soviet Russia. However, this was not really significant because, as Emil Lengyel mentions (24), it completely changed once Communism took its place. The influence that technology was having around Europe did not bring development to Eastern Europe especially in the farm: “primitive farming is traditional in much of this region. Not only because of the lack of capital and experience but also because of an over-abundance of tradition” (Lengyel 1949, 30). The economies of Eastern Europe were not big in accordance with Western Europe standards.

The countries of Eastern Europe have had similar histories; however, they are considered a “cocktail” of people, since there is a mixture of more than 163 languages and dialects spoken, as well as a big mixture of religions. The Hungarian journalist and author Emil Lengyel mentions in her book *Eastern Europe Today* that these religions

clash and intermingle, accentuating, in some cases, national problems. (Lengyel 1949)

The main religion in this area is Roman Catholicism, which prevails mainly in Poland, Hungary, the former Yugoslavia, and former Czechoslovakia. The other big religions are the Holy Orthodox Catholic Apostolic and the Eastern Churches that can be found in the former Soviet Union, Rumania, Bulgaria and Greece. “It is, after all, the variety of East Europe that remains the region’s most striking characteristic, its patchworks quilt of nations, histories, and cultures”. (Brown 1988, 1)

This region is considered very rich in natural resources. Land and minerals make them potentially rich, although many of the component nations have often been considered very poor nations. Most of the countries have good soil, which makes them Agrarian regions. They also have mineral wealth like coal, iron, bauxite, copper, lead, zinc, and uranium as well as other things in their territories.

Throughout time we have seen that Eastern Europe is known for the supremacy of economic factors that have been evident in governmental policies. The ones that have left a precedent are: the establishment of planned economy, the Land Reforms and Land Improvement as well as the Large-Scale Industrialization process. All of these took place during the period of the Communist Regime. After the Fall of Communism, the changes had to be quick so that the new governments would not leave any chance to go back, since the main purpose was to establish real democracies and a market economy in order to improve the standards of living, which Eastern European countries had been known to lack.

1.2 The Communist Era

Each of these eight countries (Estonia, Latvia, Lithuania, Poland, Czech Republic, Hungary, Slovakia and Slovenia) has its own history but there is something that in one

way or another makes them very similar, and that is the Communist regime that was imposed on them due to the security and expansionist motives that Stalinist Russia had over East and Central Europe. “The type of radical change all these countries were to experience was, however, hardly suitable in terms of their histories, predilections, aspirations, or needs”. (Brown 1988, 4) 1945 is a year Eastern European countries will never forget, as it represents the end of the suffering caused by the Second World War invasions into that region. These eight countries were the ones to suffer the most at the time when Hitler attacked the Jewish population.

That was not the end, since the repression continued, but now it came from another source. “As the Second World War ended, the Soviet Union’s Red Army swept into this region in the wake of Germany’s cataclysmic defeat, providing Moscow with a unique opportunity for fulfilling long-standing ambitions”. (Lengyel 1949, 11) Those ambitions were not as big as the West thought they were. Peter Kenez, a former Ph.D student from Harvard, mentions in his book of *A History of the Soviet Union from the Beginning to the End* that for Western scholars, “the main evidence of the Soviet expansionist designs was the creation of a system of satellites in Eastern Europe” (160), but the truth is that the only thing Stalin ever wanted was not to have hostile neighbors, and the only way he was going to be able to control that was by having them influenced with communist ideology.

The communists regimes were supposed to follow the Marxist ideology, they repudiated capitalist world in every sense. Beginning with the abolition of the market, they wanted the State to have control over every issue of the economy in order to split the benefits with everyone as opposed to only the elites. Marxists wanted the working masses to have more power, to raise their voices and to spread these revolutionary thoughts to every part of the world. But the truth is that each leader, starting with Lenin,

Stalin and the rest of successive soviet leaders, had its own interpretation of what communism was and how it was convenient for them.

J. F. Brown, Professor at the University of California, considers there are mainly six stages which represent the different periods of the communist interventions in Eastern Europe up until the time of the fall of the Communist regime. The First Phase was from 1945 to 1948. This was the period after the Second World War, when Stalin decided to control the area and have it influenced by communist ideology, he did not had the idea of conquering the world as the West thought, he just wanted to prevent themselves from hostile states on their borders, and he also visualized Eastern Europe as a security zone or a bloc that would give Soviet Russia safety and advantages in many senses, especially at that time when Soviet Russia was so economically devastated by the war.

It is important to mention that Czechoslovakia was the exception because the Communist Party there gained its support by its own means and not by lying to the people. Democracy there was real and so the communist political party was accepted. The rest of the countries were not communist, but they were convinced or imposed with these regimes. Emil Lengyel mentions that for years it was considered bad to be a Bolshevik, but at that time, it was almost like a virtue: "Eastern Europe had the Soviet system imposed on them in the four years after the end of World War II- The same governing ideology, governmental institutions, economic, legal, and social systems. And, though each country soon began to shape the imposed superstructure in its own image, certain similarities continued to persist". (Brown 1988, 1). This statement also includes Yugoslavia in the map, and it is important to know that Slovenia was part of it until its independence in the year of 1991. The former Yugoslavia had a different story than the rest of Eastern Europe and that happened due to his leader Tito. Even though he

was a real communist leader, he was against the type of communism that Stalin was imposing, so he broke relations with him. Because of that, Stalin became even harsher about his policies toward East Europe and, as Brown mentions, every leader throughout Eastern Europe that was suspected to wish for independence or even “autonomy” of mind was physically or politically annihilated.

After all the communist regimes were in place, the second stage started; this was the stage of the Gleichschaltung between 1948 and 1953. In this stage, Stalinists spread and reinforced their ideology over the political institutions, the economic structure, and the bureaucratic habits: massive industrialization, huge migrations from rural to urban areas, agricultural collectivization and the breakup of the old peasant culture. (Brown 1988, 6). All this happened with the speed, cruelty and terror that Stalin was known to apply, making him a seemingly inhuman being. After Stalin’s death in 1953 the process continued but not as strong as he had implemented it. It was as though the bases for these communist regimes were gone and the dismantling of the superstructure had begun. This was called the De-Stalinization period, and, as the Harvard graduate Peter Kenez inquires: After 1953 the central issue for the leaders and people of the U.S.S.R. was how to deal with Stalin’s monstrous legacy, but the truth is that neither the people nor the political elite could imagine a different government.

The concept of de-Stalinization included a set of connected yet distinct policies.

Initially it meant the rehabilitation of at least some of the victims and their return to Soviet society, but it also came to mean relatively greater openness in treating some historical issues, liberalization of the economic policies, and at least a small degree of change in the political system. Usually, though not always, these different aspects of de-Stalinization proceeded hand in hand. (Kenez 1999, 191)

Mass hysteria was about to begin because the citizens felt that Stalin was the only one able to order and control everyone. This is exactly when the third stage begins,

and Nikita Khrushchev's victory was the turning point. After Stalin's death, there was a great fear of who was going to be able to take his place. Many suggestions were made, for example, asking for a "collective leadership" claiming that no one could be able to fulfill Stalin's shoes, since there was also a big necessity to maintain the order to show the people and the rest of the world that they could keep going even without Stalin. The Collective leadership lasted for very short periods of time. The truth was that Khrushchev was always behind them, preparing to make his move, which he did in February of 1956, at the time when he gave his so-called secret speech that is considered as being a turning point in Soviet history. In this speech, Khrushchev denounced Stalin's autocratic rule, terror, and falsification of history. (Kenez 1999, 192) He did this in a very peculiar way because he blamed him for many things, but omitted many others that were perhaps more important, such as state terror itself. An example of this was that he mentioned the communist victims, but not all of the ordinary people that suffered and died because of him.

One of the problems that aroused after Khrushchev secret speech was, as Peter Kenez mentions, that the Communist leaders of the rest of the Soviet Bloc who had followed and encouraged Stalin's practices and lied for him were now contradicted and discovered by their own people. This happened thanks to Khrushchev, who claimed to be a real Communist, but forwarded such things like economic modernization and a raise in the standards of living. These were the most important factors for the people, who would start to complain and revolt against the way in which the Communism had handled their lives. Hungary and Poland were the first ones to complain and started movements in 1956, which at the same time were controlled by Soviet troops. This made the rest of the Communist countries scared about the consequences of expressing what they felt, and this meant more repression and less freedom. Most of the people lost

the hope when they said saw that the Bloc could only be maintained by force. The ones that kept the faith thought they had to be quiet until the right moment.

Khrushchev was in office until 1964, after him, a man that was part of his team became the new Secretary General of the Communist Party of the Soviet Union (CPSU) until 1982; his name was Leonid Il'ich Brezhnev. The Brezhnev Era had two phases, in his first years very little took place, which is why the people tend to feel nostalgic about this era. "The Brezhnev years can be seen as the Soviet system at its most "normal", with no system-threatening external or internal threats". (Sakwa 2002, 7) That did not last very long, there was one thing that did happen and that was the Brezhnev Doctrine established as a result of the events of Czechoslovakia in 1968, where under the leadership of Alexander Dubcek they tried to introduce some reforms that were not in accordance with the type of socialism the Soviet Union was used to. For this reason, Brezhnev talked about stopping "anti-socialist forces" claiming that what they were trying to do was not good for his people. He mentioned a phrase that Lenin once used: "a man living in a society cannot be free from the society, one or another socialist state, staying in a system of other states composing the socialist community, cannot be free from the common interests of that community". (Internet Modern History Sourcebook. 17/01/2005). Brezhnev took a much more harsh position over Eastern Europe's actions towards new reforms.

People's movements decreased as a result of the Brezhnev Doctrine, but not for long. The right moment would develop for each of the states, though this was more visible in some than in others. "The autonomy developed by the Eastern European states served to quicken the stimulus for change at the domestic level (...) the degree of domestic change in Eastern Europe varied considerable from state to state. Many factors affected these differences. Perhaps the most important were the level of economic

advancement, public pressure, and the degree of self-confidence of the ruling elite”. (Brown 1988, 8). This is the turning point for what we can consider the Fourth Stage that began with the Soviet's invasion of Czechoslovakia in order to control the revolts in August 1968, during what is known to be the Prague Spring. The Communists demonstrated that they would not allow Eastern Europe's domesticism, and that they had to go back to Stalin's institutional system in order to control anyone that had liberalist actions. They started by imposing close controls over COMECON (Economic organization from 1949 to 1991) and the Warsaw Treaty Organization (alliance set up under a mutual defense treaty signed in Warsaw, Poland, in 1955), making the relations even tighter in order to reinforce the communist ideology and to depoliticize public life. This was part of what Brezhnev did.

The aim of the government to raise the standards of living was real, but by 1975, Western Europe was going through a period of recession and inflation as well as huge rises in oil prices in the world market, which strongly affected Eastern Europe and reversed the process of raising the quality of living conditions. The economic crisis and debt were becoming so big, that even the leaders seemed unable to prevent or stop them.

The Fifth Phase started when the anger of the people was beginning to be visible again, as the promises of better standards of living were no longer palpable and the leaders could not do anything to avoid it. In Hungary, for example, the standards of living were actually declining. In Czechoslovakia, one of the most advanced states of East Europe at the time, the same thing happened. But it was in Poland where the explosion began, due to the big influence held by the non-communist leader, Lech Walesa. He was able to mobilize the masses in order to protest the bad economic conditions they suffered from. All these, combined with the failed ideas that their communist leader Edward Gierek had held when he tried in 1980 to increase the prices

of food, gave enough reasons for the rise of Solidarity. Solidarity wanted free trade unions and the right to strike. This was formed by intellectuals and workers which later became a political party. But why in Poland? Why Solidarity? Poland is one of the biggest states in the whole of Europe, and gave Solidarity enough space to organize itself. Poland also had the biggest population in Europe. Moreover, at that time, Poland had a great concentration of industry, which meant that it was easier to organize a collective action due to the large amount of workers that were together. The other factor was that the intellectuals were the supporters of the anti-politics and they held the support of the Catholic Church, and especially of the Pope, who was against communism.

The only problem was that the reforms that the people were asking for were such that, as Brown mentions, no regime could agree to them and remain communist. And this is exactly what came next.

Brezhnev died in November 1982. By this time, Yuri Andropov, who had been a part of Soviet politics since long time before, now had the opportunity to be the Secretary General and he took the place of Brezhnev. His approach was that of “authoritarian modernization” as Sakwa explains in his book, but he did not have enough time to implement it. Andropov died in February 1983, allowing Konstantin Chernenko, formerly one of Brezhnev's acolytes, to be the next soviet leader, but he also did not have enough time to implement reforms, and he died in March 1985.

It was in this year when General Mikhail Gorbachev came into power and the Sixth and last phase begun. With a series of reforms he tried to give new options to the people, knowing that he had in his hands the opportunity and the necessity to make some reforms in order to be able to handle the difficult economic and political situation of inconformity that was surrounding him.

Gorbachev's reforms were political as well as economical. By that time, the amount of money that the Soviet Union had to give to Eastern Europe was so big, that their economy was about plummet. He knew that the only way to help the economy was to open the market and implement to a certain degree a liberal policy, but the problem was that liberalism mixed with communism did not result in a good combination. "With the launching of Perestroika (economic restructuring) Mikhail Gorbachev, in 1985, the party gradually lost its integrative capacity as its own internal coherence dissolved, precipitating the disintegration of the state that it had overseen by the end of 1991". (Sakwa 2002,1) Gorbachev's team was not ready to confront the wave of complains around them. Complains were not only taking place in the Soviet Russia, but in the eight countries that we have been talking about. The protests were taking place especially because the mentality was changing, the western influence was evident and their nationalistic spirits begun to arise. The people of Eastern Europe were hungry for freedom and, as Gale Stokes mentions in his book *The Walls Came Tumbling Down*, the argument of the ethnopoltics that was occurring mainly in Slovakia, Lithuania and Hungary meant that this countries were posing upon themselves the question "who are we?". The construction of their real identity was getting a lot of importance. Also, as we already know, the emergence of the workers' movements in Poland and other countries in June 1989 marked the point in which Gobachev's way of handling his reforms (from above) was transformed into a revolution from below. He contributed to the end of the Soviet Union and it was his intention to open the economy to modernization by changing the structure; the problem was that he needed to keep the communist ideology, and the results were incompatible. This was the first time a leader of the Soviet Union talked about a market economy or about freedom to the media, and he did that by means of Perestroika and Glasnost.

1.3 Transition to Democracy

History tells us that the beginning of the end started with Stalin. He was a dictator that by means of terror and oppression controlled the Soviet bloc, which at that time was very big due to the buffer zone covering Eastern and Central Europe. The spread of his version of communist ideology was such that by the mid 40's strong communist parties were already taking place in other countries, as in Poland and Hungary. Communist parties took over the security apparatus in such a way that the people no longer knew what the government wanted. The government did a very good job stopping western influence, which was one of its main purposes. However, that was temporary because by 1989 this influence could not be stopped anymore. The movements against the regime were so big by that time and the government in Moscow was so unstable that a chain-effect developed, affecting even the governments of Eastern and Central Europe. "The dynamic nature of these movements derived, first, from the widespread perception of the legitimacy of nationalism in the twentieth century, and from accumulated resentment of Moscow's ruthlessness and hypocrisy in suppressing nationalism at home while exploiting it abroad" (Reddaway 1991,246).

Many leaders, ideas and reforms went by from before 1945 to 1991; some leaders were strong in their ideologies while others were neither fair nor sure about what communism was anymore. The reality was that most of them failed to accomplish the communist goals and were more focused on benefiting the elites. Millions of people died, many others suffered from starvation and stagnation. The people owned nothing, and existed simply to serve the government without receiving compensations of any kind in return. This led to the fall of the Soviet system. "The Soviet System endured far

longer than most of its early critics thought possible, but ultimately in 1991 came crashing down”. (Sakwa 2002, 1)

It is true that the coup headed by Boris Yeltsin was one of many catalysts for the falling of the Soviet System, but it is also true that the collapse was clearly visible years before it occurred. Professor Richard Sakwa, Head of Department of Politics and International Relations in Kent University and Professor of Russian and European Politics, mentions that the most important common understanding was the idea that they could not live that way anymore, that something had to be done and Yeltsin did it. Boris Yeltsin was part of Gorbachev’s team, but he was against the way in which the communist were handling politics and the economy. The unexpected changes as well as the structural problems were so deeply rooted by that moment, that any effort to go back was useless. Transition was not easy, the people did not know what to expect, and it was obvious that for most of them the only true thing they wanted was peace and freedom. Gorbachev made some mistakes, or “miracles” as some people may see it, but this, along with people’s courage to speak at loud like Solidarity in Poland, gave people the hope of a better and democratic, future.

Fifteen years ago the world witnessed one of the most significant historical events ever. Boris Yeltsin, by climbing a tank in the streets of Moscow, gave birth to what we know as Transition Democracies in Eastern and Central Europe. He knew that the change was not going to be easy, but even with that, he continued with his goal of bringing democracy to those countries including Russia.

Many descriptions of what democracy means have been made, and taking some of them in consideration I have come to the conclusion that in a very general sense it means rights and freedoms. “That systems of government providing for popular participation by a substantial number of citizens were first established on foundations so

solid that, with occasional changes, they endured for centuries” (Dahl 1998, 1) First of all, it means seeking the participation of the electorate by giving them the right to vote and to choose their leaders, as well as to have the right to run for office. It means people have fair, frequent and multi-party elections where the elected officials are responsible for government policy making. They also have civil and political liberties meaning they have the right of expression, to seek alternative sources of information, and also to have the right to form any kind of group. This is mainly what it means to have a democracy, but all these factors were not that easy to accomplish.

Any consideration of the political transition in East Central Europe should keep in mind that democracy means the institutionalized practice of peacefully choosing rulers through regular, free, and fair elections based on the principle of one person, one vote. This presupposes freedom of speech and association, which may also exist, however, under certain non-democratic regimes. (Balcerowicz 2002, 66).

The problem was that the new transition states still had many of the disadvantages developed during the Soviet system that were not easy to remove because there were some legacies that remained after the collapse of the Soviet Union. Some of the elites were still there, and among them were some individuals and networks that are/were very hard to destroy.

Some very important institutions remained as well, such as the Military Industrial Complex, the collective farms, and the security system that had extreme power. Also, the legal system that was very disorganized and ineffective, and even like that, it had extreme political influence. Another complex problem at the time of transition was the issue of Social Security, since it was free when the communists came into power it had to continue that way. The shift from a planned economy to a market economy, as the World Bank describes it, was a social and economic transformation of unprecedented scale. All these things increased the widespread of corruption, which

made the inequality grow. The same corruption made it easy for some people with connections to have better opportunities to increase their economic power and they did this by means of limiting competition and increasing the monopolies, which became a very important type of business. With these, prices and incomes were higher, but salaries were not. For this reason, it was hard to say at that time, if the liberal theory would ever succeed.

The USSR was considered one of the regions of the world with the lowest inequality rates. However, as the transition began, inequality increased (this can be seen in table 1.1). It is tempting, as the World Bank mentions, to attribute these changes to the reforms that took place and to liberalization as well. But that is not so easy to prove, because among the eight countries we are talking about we can see that the more advanced ones show more equality than the less advanced. The biggest problem about the inequality rates was that the optimism of the people about the transition to democracy was beginning to tremble. This happened because of the harsh economic realities. All the countries suffered from an immediate recession right after the transition began. Even with that, the World Bank, in its report about the First Ten Years of Transition, mentions that Hungary, Latvia, Poland, Slovenia, and to some extent Estonia and Lithuania have enjoyed several years of uninterrupted growth. “Competitive democracies-underpinned by widespread political rights to participate in multiparty elections and in extensive range of civil liberties have taken root in nearly all of Central Europe and the Baltic’s”. (The World Bank 2001, xiii)

TABLE 1.1.

Changes in Inequality during the Transition, Various Years

Gini coefficient of income per capita

<i>Countries</i>	<i>1987-90</i>	<i>1993-94</i>	<i>1996-98</i>
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<i>CSB</i>	0.23	0.29	0.33
Bulgaria	0.23	0.38	0.41
Croatia	0.36	—	0.35
Czech Republic	0.19	0.23	0.25
Estonia	0.24	0.35	0.37
Hungary	0.21	0.23	0.25
Latvia	0.24	0.31	0.32
Lithuania	0.23	0.37	0.34
Poland	0.28	0.28	0.33
Romania	0.23	0.29	0.30
Slovenia	0.22	0.25	0.30
<i>CIS a</i>	0.28	0.36	0.46
Armenia	0.27	—	0.61
Belarus	0.23	0.28	0.26
Georgia	0.29	—	0.43
Kazakhstan	0.30	0.33	0.35
Kyrgyz Republic	0.31	0.55	0.47
Moldova	0.27	—	0.42
Russian Federation	0.26	0.48	0.47
Tajikistan	0.28	—	0.47
Turkmenistan	0.28	0.36	0.45
Ukraine	0.24	—	0.47

— Not available.

a. Median of countries with data.

Because every country is different, from the language they speak, the religions they profess, their industry, agriculture, the characteristics of the leaders they had, the people, etc; each of the eight countries went to a different phase of the process of democratization. This is why it is important to refer in this case to each one individually. The three Baltic Republics were annexed by the Soviet Russia in 1944. Lithuania is important because it was the first of the three Baltic States to declare its independence, thanks to the Supreme Council's rejection of Soviet rule. They declared the restoration of Lithuania's independence, which was finally recognized on September 6th, 1991. Estonia declared its independence from the Soviet Union on March 1991 but it was also recognized until September 6th, 1991. Latvia soon followed the direction of the other countries and they sought their opportunity to gain full independence on August 21, 1991.

These three Baltic States suffered from so much repression throughout their history that at the time of their independence they created very strict laws about who was capable of having their citizenship. They were very jealous about the ethnic background of the people who had put aside for many years the chance of ethnic Russians to have either of these nationalities.

The biggest and most populated country of Eastern Europe after Russia, which set the guideline for the change to happen, was Poland. It took Poland 10 years to gain its democracy, and to put aside the communist rule. This change was not easy and when Poland put all its efforts to turn its economy into a market economy, they suffered the consequences of the drastic change, which led to economic difficulties and widespread discontent. Solidarity had threatened the people into voting for a Communist leader, which happened, making them less influential. "In the second democratic parliamentary

election of September 1993, voters returned power to ex-Communists and their allies. Solidarity's popularity and influence continued to wane. In 1995, Aleksander Kwasniewski, leader of the successor to the Communist Party, the Democratic Left, won the presidency over Walesa in a landslide". (Infoplease 1990)

Hungary suffered a lot of repression from the Communist regime, and many people either died or migrated in order to survive that repression. It was one of his ministers, János Kádár, who asked in 1956 for Soviet troops to help control the anticommunist revolution. At the same time, once Kádár was able to control the people, he gave Hungary liberal policies in the economic and cultural spheres, and Hungary became the most liberal of the Soviet-bloc nations of Eastern Europe. At the time of the fall of the USSR, this gave them more opportunities to recover quickly from the transition.

The Czech Republic also had 42 years of Communist past, but they had a leader who came to power in 1989, his name is Václav Havel. Havel became an international symbol for human rights, democracy, and peaceful dissent. He remained in power for 13 years and helped the Czech Republic with its transition process, in order to make it more peaceful and less complicated.

Slovakia gained its independence from the Czech Republic on January 1st, 1993. Slovakia broke up with the Communist regime and with Czechoslovakia at the same time, making it very vulnerable of the changes that approached. There is not much to say about this country before its independence since they had the same political system as the former Czechoslovakia used to, however, the Slovaks had been oppressed by stronger forces like Czechoslovakia.

Slovenia became independent from the Former Republic of Yugoslavia in June 25th, 1991. After Tito's defeat over Stalin, Yugoslavia had a different type of

Communism due to the fact that Tito's Communist ideology was more realistic, and didn't have the repression and control that Stalin and the other leaders had over the other Eastern European states.

Most of the post-Soviet countries faced the additional transition problems of defining their territorial as well as social and cultural boundaries, and of building their institutional machineries. The unprecedented scope of changes in Eastern and Central Europe means, among other things, an extreme information overload for top decision makers. Errors and delays are hardly surprising; especially since decision makers must work with a public administration largely inherited from the old regime. (Balcerowicz 2002, 64)

Each country at the time of transition had different characteristics that might have influenced the economic outputs, such as the time spent under communism, and the way in which the communists took control over their economy. Their geography, taking in consideration the proximity to the west, the kind of terrain they had, if they were more industrialized, etcetera, all these conditions mattered and were visible at the time of the transition.

1.4 Social and Economic Conditions

Both the economic and the political system failed. At the beginning, they worked because almost everyone saw the change to communism as positive and as an improvement on their quality of life. This happened because of the lies and manipulations that the parties used, but the truth was that the system was no longer viable. “The countries were exhausted by war, terror, and poverty (in comparison with the developed world as we can see in table 1.2, but not as poor as other regions of the world). The Stalinist state had paid little attention to the welfare of its citizens, and the state budgets composed during the last years of Stalin were in fact a continuation of a war economy”. (Kenez 1999, 186)

TABLE 1.2.

Average Poverty Rates, 1990 and 1998

(percent)

Population living on less

than US\$1 a day

Regions	1990	1998
Eastern Europe and Central Asia	1.5	5.1
East Asia and Pacific	28.2	15.3
Latin America and the Caribbean	16.8	15.6
Middle East and North Africa	2.4	1.9
South Asia	43.8	40.0
Sub-Saharan Africa	47.0	46.4
Total	20.0	17.1

Source: World Bank 2001, *Transition: The First Ten Years*. Pg 8.

The little attention that the USSR paid to the welfare of the citizens became evident in the bad quality of the things that the state gave to the people, but it is important to notice that at least they tried to give them something. That was in fact one of the things that the new democratic leaders were forced to pay more attention to.

Many analysts (...) have properly characterized post-communist situation as “dual transition”. They have suggested that reforming fully or nearly fully nonmarket economies while also inaugurating a new political regime involves a qualitatively different situation than faced in countries in which at least the rudiments of a market economy, including widespread private ownership and enterprise, were already in place at the time of political regime change. (Fish 1998, 219)

We can not generalize about the conditions or ideas that the people in the communist states, especially because we have seen that there is a percentage of people that feel nostalgic about that period and they even suggest to go back to the way it used to be. However, it is true that there was one part of the population that used to feel discontent about the situation they were going through, and those were the ones to raise their voices to stop it. The people were tired of working for their governments and receiving very little in return, especially because the economic conditions of the region did not help. It is obvious that the people could not stand that way of living any more and they were willing to risk misery for the unfamiliar new government. “The Soviet system was probably the most comprehensive form of closed society ever invented by man. It penetrated into practically all aspects of existence: not only the political and military but also the economic and intellectual. At it’s most aggressive; it even tried to invade natural science” (Soros 2000, 47(3))

Hunger, uncertainty, frontiers, identities, ideologies, and even in certain moments labor camps, as well as many interpretations of the real communism among the leaders of the USSR marked the history of the Slovakia, Slovenia, Estonia, Latvia,

Lithuania, Poland, Hungary and Czech Republic. Many were the causes that led to the collapse of the communism; we can describe it as a series of structural and contingent factors. Among the structural factors we can mention that the economic system was inherently flawed, meaning that the second economy, corruption, the relative stagnation and the declining competitiveness in “new economy” areas ensured that the economy was not viable . Another structural factor was the control that the Soviets had over the information, which was a way of legitimizing their practices, was not sustainable and created a lot of discomfort, especially because of the factor of modernization, which for a long time had been taking place in the west but not for them. Among the contingent factors we can mention the influence that Gorbachev had over the people and their governments. (Stokes 1993)

The nationalistic movements, such as Solidarity, also played a very important role in the disintegration of the USSR. They had a demonstration effect, and this happened because the people that for a long time had been afraid to talk were now able to express their feelings knowing that they were not the only ones and would not suffer the consequences of contradicting their government. (Kaufman 2001)

How did they deal with the past? Some of the methods the new democracies implemented were through the symbolic memory, such as the removal of monuments. Furthermore, there was a public recognition and discussions of the past with rehabilitation processes, and the restitution program, which meant that if the Soviets had taken away their houses, for example, the people had the right to recover them. Another very important process was what they called “the lustration”, meaning that they new government had to identify collaborators of the past regime, remove them from office, and bring them to trial; this last one was the hardest to accomplish. (Forest and Johnson 2002)

The new governments needed to legitimize the new rule of law and they did this by enforcing the change of mentality. This was not easy in many cases because, for the majority of the people, Communism was the only thing they knew and, as the saying says, it is better to have something bad but known, than put faith in the unknown. (Suny 1999/2000)

We can say that the best explanation of regime diversity in Post-Communist States is rooted in the history of those countries. It has to do with their cultures, languages, religions, ethnicities as well as many other things. When the Communist regimes came into power, all those things were put aside in order to create a society with “equal” rights and justice for everyone. Now that the societies had recovered their right to express their culture and many other things, diversity took place and each country started to make big efforts not only to turn their economy into a market economy, or to have free elections, rather, the real change came when these countries were able to be themselves. It is important to mention that the first years of transition were mainly characterized by the big influence the civil societies had over almost every aspect of their lives and politics. That has diminished a lot now, but that may yet develop because for the first time in their lives they are confident about their governments’ representation. (Smolar D&P ch4)

The peaceful revolution of 1989 in Central and Eastern Europe were carried out in the name of “civil society”, and the related word “citizen” was one of the most frequently used terms in the public discourse of that time: citizen’s committees, movements, assemblies, initiatives, parliamentary clubs, and citizen’s parties. Today, just a few years later, talk of “civil society” is no longer much heard in the streets, and the idea seems to have gone back whence it came, to discussions held among intellectuals on the changing shape of post communist countries. (Smolar 2002, 48).

About the economic conditions, we have mentioned that inequality rates increased from the moment of the transition. However, the numbers indicate that even

with that inequality, these eight countries are among the ones with higher economic rates, which demonstrate an improvement in living conditions, free market, exports and competitiveness. An example of this is shown in Table 1.3.

TABLE 1.3.

Private Sector Growth, 1990s

<i>Countries</i>	<u>Percentage of GDP</u>		
	<i>1990</i>	<i>1994</i>	<i>1999</i>
<i>CSB</i>	11	50	68
Czech Republic	12	65	80
Estonia	10	55	75
Hungary	18	55	80
Romania	17	40	60
<i>CIS</i>	10	20	50
Armenia	12	40	60
Belarus	5	15	20
Russian Federation	5	50	70

Source: World Bank 2001, *Transition: The First Ten Years*. Pg 6.

But in order to reach that stability, the World Bank in its report of the Transition the First Ten Years provides us with a list of the things these countries needed to do in order to accomplish the Market Economy goal, each one introduced with different speed or in different order, which of course had different consequences but at least this is what was needed among other things, to reach the goal. These things are:

- Macroeconomic stabilization

- Price and trade liberalization
- Imposition of hard budget constraints on banks and enterprises
- Enabling environment for private sector development
- Reform of tax system and restructuring of public expenditure
- Legal and judicial reforms
- Reforms of public sector institutions. (The World Bank 2001)

People in those countries did not have the opportunity to think for themselves, especially because the communist ideology was always telling them what to do. However, the way they have coped with the new freedom could be seen as an example of the rapid change done so far, up to the point of reaching all the different standards needed to join the European Union. The effort of both governments and people was to create the conditions necessary to recover themselves from the long stagnation process they carried for a long time. The standards of living have risen considerably since 1990 and they are still rising. (Kenez 1999)

The Soviet Union collapsed in spite of the good things that they used to have, such as: production chains, the same currency, almost-free travel, and especially the legitimacy status. Some of the countries of Eastern Europe and Central Asia considered themselves more important when they were part of the union. But that happened right after the collapse, due to the nostalgia that people felt when they saw that the economic and social problems were becoming prominently known. At the beginning, the change was not easy especially because of the privatization issue. In the planned economy, most of the enterprises belonged to the government, but now the people gained the right to be the owners of something, which had been the main problem. Most of the people did not have the money or the opportunity to own even a little share of something, and in the case they did, they could not afford to run the enterprise or even to make it

competitive. That is why most of the enterprises were available for foreigners or for the same elite that until now had had the chance to run the countries. (World Bank,2001)

1.5 The Agricultural Sector

Peasant Europe has two connotations; the first one has to do with the economy, meaning that it is a part of Europe whose economy is mainly devoted to agriculture. In the cultural and social sense of the term, Peasant Europe signifies a tradition, civilization and way of life. Here is where we can find the main difference between Eastern and Western Europe, and this was reinforced after Second World War when Western Europe with its industrial revolution generated profound economic and social changes. All these created an awareness of the differences the people of Eastern European had with the West. One of the main characteristics was that in the West the rural population was called farmers instead of peasants. This has a deeper significance than simple terminology, mainly because of the feeling one has over the land and the work. For the farmers of the West, the land is just a mean to generate more profits, it is seen in economic terms rather than something personal, they produce primarily for the market, abiding as Brown mentions by the established norms of offer and demand. For the peasants, however, it means their life, heritage, future, and daily food. There is one thing that makes the peasants a more powerful group and that is that they have been capable to generate powerful political organizations, which had played an important role in their national lives.

The liberals point out the importance of the peasant's relationship to his land and the influence of his environment upon him. They realize that there are two elements, the sociological and the cultural, which are of great and equal significance in appraising the peasant society. The sociological element includes the individual's family life, the customs, traits, and trends of neighborhood and village communities, and the peasant's

attachment to religious and other traditions...The cultural element includes all such features as folk songs, folk customs and habits, and so forth, which have developed independent of the cosmopolitan civilization. (Brown 1954, 110)

We have mentioned that Eastern Europe is considered a peasant region, but this diminished a lot when Communism took over the region. The countries of Eastern Europe had been making a big effort to recover the richness that this area used to have especially because the new governments realized the necessity and advantage they could have if they competed with the world now that they had opened their doors. No one in this Earth could survive without food, and they will need someone to provide them with food and for that, Eastern Europe is the perfect example of an area with an agricultural background, that is willing to make its economy to grow.

Before World War I the main characteristic of Eastern Europe was that it had large semi-feudal estates (latifundia), but after 1919 most of these countries introduced land reforms and they started to distribute the land. The problem with that was that this region was monoculture, which means that they only cultivated one crop. Emil Lengyel explains in her book *Eastern Europe Today*, that one crop was simpler because the peasants on small farms were able to raise it, it also required hardly any capital and provided work for all the members of the family during the season; moreover, it helped to keep famine away (29). One big consequence was that the economic conditions of Eastern Europe did not create enough opportunities to its citizens, making it almost impossible for every peasant to have available arable land, which, at the end, left the peasants with a very small portion of land. "The large estates were not particularly profitable, because of absentee ownership, indifference and conservatism. The small holdings are even less profitable, in most cases, because they do not lend themselves to mechanization and modern cultivation". (Lengyel 1949, 31)

At the beginning of the period that we are taking into consideration for this thesis, the Agricultural Sector of Eastern Europe still worked in the same way established by Lenin to handle agriculture. This meant that the peasants were supported by the government to have small agrarian properties. These is how some of the land reforms were, but there was another type of land reform made by the government which consisted in the state's expropriation and expulsion of the Germans. C.E. Black mentions in his book *Challenge in Eastern Europe* that about 48 million acres, including forestland, were expropriated. Part of that was redistributed to three million peasants and the rest remained as state property (1954). The purpose of, Lenin first, and then Stalin, was to convince the peasants to support them, since they were the biggest force, not just in Soviet Russia but in the rest of the communist bloc as well.

The peasant movements in this region were considered very strong and with a lot of influence over the whole population. For this reason, the Communists used many tactics like lies or blackmail. They also stole the Agrarian Parties' ideas to claim them as their own and convince the peasantry. Due to the fact that the rural population was much bigger than the urban one, the Communists paid a lot of attention to this sector, and in the end, they did manage to implant the idea of Communism among the peasants.

What is relevant, though, is the behavior of most of the communist parties in the region during this period. Before they achieved political mastery they erected policy platforms- in agriculture, for example, of relating to nationalization in industry that barely distinguished them from some of their agrarian or democratic socialist opponents. Much of this sweet reasonableness was, of course, spurious, and designed to win votes and lay their own bogey (Brown 1988, 5)

Stalin came to power in 1928 and he reversed the policy that gave peasants little pieces of land. He, however, did not see the peasant as the important force of the economy at all, he just took them into consideration in order to provide the necessary

supplies and labor so that the population could be fed. Stalin paid much more attention to the industrialization process and changed its policy toward collectivization of land in the form of pseudo-cooperatives. This first started in Soviet Russia and later became part of Eastern European agriculture as well, with some modifications in the case of Poland and the Czech Republic. The collectivization policy consisted of: “No percentage is paid for use of land although the fields still belong to the farmers in the title registers. All profits are divided according to the labor units of the members. This is the real Soviet collective farm, in which private property has become a fiction”. (Brown 1954, 105)

At the time Stalin decided to move with its collectivization process to Eastern Europe, the communist leaders disguised it and started to promote it as a cooperative group of peasants who had to join for means of improvement. They did this in order to favor the allocation of equipment to cooperatives rather than to private persons. Brown explains that production cooperatives were created by the government and depended on it. For those who did not want to join the cooperatives, the government did not give any support. The treatment was much worse in the case of those who were considered rich peasants or Kulaks. These peasants were being charged higher taxes or even sent into concentration camps where they were used as a big labor force for the industrialization process. This was the beginning of Stalin’s terror, which was transmitted into the rest of the communist countries. .

The fundamental reasons for Soviet collectivization were peculiar to the nation and the times. Emphatically, Stalin’s primary reason for collectivization was not the consolidation of small farms as a means of securing more efficient, mechanized farming and increased production. It was, instead, the establishment of control over agriculture as means of squeezing out greater quantities of agricultural produce for the urban market and for export, since basically Soviet collectivization was designed to

support Stalin's five-year plan for the industrialization of Russia. (Adams and Adams 1971, 8)

Among the plans that Stalin had over the communist population, he made sure not to allow the people to speak about their discomfort especially in agriculture. He did that by means of deportations and eviction of thousand of families from their region, in order to stop nationalization and independence movements, as they were one of the threats that Communism could not withstand. But that was not the only problem; the collectivization phase of Stalin resulted in a decreasing number of agricultural populations, not only because of the deportation but also because people moved into the cities in order to escape the forced labor, resulting in further urban overpopulation. The degrees in which this happened in each of the eight countries we are talking about varies a little, but Stalin's control over his own communist leaders in the other countries was so big that there was little they could modify. (Adams and Adams 1971)

The peasantry was the stepchild of the Soviet regime. Conditions on the collective farms were deplorable. The majority of villages had no electricity, and hardly any of the peasant houses, most of them overcrowded shacks, had running water...the consequence was that the labor force in the collective farms was a residue: disproportionately old, female, and ill educated. Combined with the shortage of investment in agriculture, and the low prices paid for agricultural products, it is understandable that productivity recovered very slowly. (Kenez 1999, 168)

When Stalin died, Khrushchev paid more attention to the peasantry and the agriculture. He claimed he had some knowledge about it, so he organized groups of specialist to give him ideas of how to improve agriculture. The main problem was that Khrushchev was very stubborn and, even with the opinions of the experts, he kept doing what he thought was best; the results were not good. With Brezhnev the agriculture remained in a very difficult situation, where it remained for a long time.

It can be said that submission and domination are the two words that best describe the period of collectivization. The peasants were always managed by external forces, which prescribed them what crops to grow and what animals to breed. The worst part was for Soviet Russia, but the outlook was not much better for others. However, there was some hope in Poland and the former Czechoslovakia because their leaders knew that implementing collectivization as extreme as Stalin's was like using a lethal weapon in those countries. "Powerful forces outside the realm of agriculture did much to bring about a reversal of the collectivization policy in 1956. In that year, all of communist Eastern Europe was in the throes of a reappraisal of Stalin and his policies, questioning above all the degree to which individual socialist nations should exercise autonomous authority over domestic policies". (Adams and Adams 1971, 102) To give an example of it we will talk about Poland and the former Czechoslovakia.

Poland's history is very important to analyze in order to understand why I am making this assertion. At the time of the Second World War, Poland was the country that had lost more human lives than anyone else, about 40% of its agricultural population had dropped. Poland had also lost most of its arable land in the southeast. (Adams and Adams 1971, 128) With all of these, Poland's peasantry was very vulnerable, and at the beginning of the Communist intervention they had no other option than to follow the Soviet system. However, it was because of the defense given by the Secretary General of the Polish Worker's Party, Gomulka, over the agriculture that Poland was able to have a different type of control over its agriculture rather than the destructive collectivization one. It was not that hard to eliminate collectivization due to the lack of control that the communist government had over the agricultural population. The region was so vast that it gave people the chance to oppose it, through the peasant's

stubbornness and resistance. By 1971 Poland's Agriculture was mixed; they had some private farms (which were anti Marxist ideology), and some socialist farms.

Contrasting with Poland was the former Czechoslovakia, which has a very peculiar history. Since the beginning, the Communist Party was not only legitimized but also supported by the people, which is why the collectivization policy there was such a success. It is hard to understand, but important to realize. The big difference between these two was that one was imposed and the other did it willingly, convinced that it was something that they believed in. There are also the geographic and demographic conditions that made ideologies and beliefs easier to spread in Czechoslovakia than in Poland.

After decades of Socialism, these countries agricultural sectors are characterized by large, inefficient farms with high production costs; heavier food consumption than in market economies of comparable prosperity, and excess demand for food, at subsidized food prices; macro economic imbalance, including inflation, budget deficits, and foreign debt; and a monopoly in food processing and distribution. (Csaba Csáki 1992, I)

Many of these countries in some periods even had to import agricultural products because they were not capable of making their industry effective or even self-sufficient. Transition hasn't been easy for anyone but has been challenging for the agricultural sector (World Bank 2001) especially because it is the sector that has grown the less since the transition began. Table 1.4 shows this more clearly.

TABLE 1.4.

Composition of Output, 1990–91 and 1997–98

<i>Percentage of GDP</i>			
<i>Regions and periods</i>	<i>Agriculture</i>	<i>Industry</i>	<i>Services</i>
<i>CSB</i>			
1990–91	13.7	45.1	41.2

1997–98	13.9	33.0	53.1
<i>CIS</i>			
1990–91	27.5	39.7	32.8
1997–98	18.7	31.2	50.1

Source: World Bank 2001, *Transition: The First Ten Years*. Pg 6.

Agriculture usually works in a different way than the Industry or the Service sectors of the economy; they need special conditions and require special attention from their governments. Csaba Csaki mentions in his report for the World Bank about the “Land Reform and Land Restructuring in Eastern Europe” of 1992, that there were many things that needed to be done in order to have some improvement in the agricultural sector. Some of the things mentioned by this author are:

- Landed property re-privatization
- Change in the Farming Structure
- Real Market for Agricultural Products
- A New Role for Government and a New Macroeconomic Framework for agriculture
- A New Legal Framework
- Increased Focus on the Environment
- Rearrangement of Intersectoral Linkages (World Bank 1992, 9)

Each of these conditions needs favorable policies from the governments in order to be able to compete with the rest of the world and to bring back the agricultural capability that Easter and Central Europe used to have. The amount of people working on the land has dropped significantly, and those are numbers that do not give much hope, but the increased technology and new improvements in the food sector have increased to such an extent that the peasants clearly simply need the support of the government to be able to do it.

However, it must be said that, in spite of the damage done to these countries by the communist regime, after the collapse of the Soviet Union there has been some improvement as to reach the standards needed to enter the European Union. But anyway, there is still much to do, and the agricultural system will always be in need of special attention from the governments, as has been provided since the transition began. Socialism really damaged Eastern European Agriculture, and the peasants were very vulnerable at the time of transition. The competitiveness of these countries has increased in the past five to ten years but some have had better opportunities than the others, and the European Union has taken the responsibility of helping these newly independent countries to improve their economic conditions. This issue, as stated in the introduction, will be analyzed more deeply in the next chapters. (Unknown Author I)