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A Look Back at “1989”: Ten Active Construction Sites

The “normal” mode of social and historical change appears to be one that can be retrospectively viewed as the accumulated effect of a development dynamic typical for a given era, which had unfolded over a time-span counted in decades. In the latter half of the 20th century we can find examples of this drawn-out mode of transformation in, for instance, the dynamic of the Cold War, decolonization, political and economic (neo-)liberalization and globalization, and European integration. Apparently rarer, on the other hand (discounting classical wars and revolutions), is “fast-moving” change which needs only months, and sometimes even days, to irreversibly break down whole societies and supranational orders, which overnight cease to be what they were only days before.

The years and months between February 1989 (the Round Table talks in Warsaw) and July 1991 (the self-dissolution of the Warsaw Pact), together with the events that took place in that time – the opposition’s discovery of an election swindle in East Germany (May 1989), the massacre in Beijing (June 4), the opening of the Hungarian-Austrian border in response to the mounting exodus from East Germany (June), the self-dissolution of communist parties, the election of a non-communist prime minister in Poland (August), the foundation (within four weeks) of no less than four political parties, or civil rights movements, in East Germany (September-October), vociferous mass demonstrations, and finally the fall of the Berlin Wall (November 9), marked the “historical moment” in which European state socialism suddenly imploded. Its demise had indeed been the objective of a more or less successfully repressed political opposition, but only isolated voices saw this as a realistically possible, or even actually unfolding – and for the most part non-violent – phenomenon. The vast majority of the main actors and observers of the day, external and internal alike, believed that the galloping course of events still lay beyond what only a little earlier was considered quite unthinkable and unimaginable.

The inevitable *vs.* contingent, internally and/or externally controlled, economic *vs.* political *causes* of this sudden breakdown of state-socialist party dictatorships (incidentally – *only* in Europe, not on China, Vietnam, or Cuba!), which in effect cemented the West’s definite victory in the Cold War, have been far less analysed

by social scientists (who rather left this to contemporary and future historians) than its immediate *effects*. Almost instantly, the international social sciences with their supporting foundations and social science policy makers came up with a special discipline – *transition studies* – which was driven by the ambition to synchronically and comparatively investigate and politically advise this historically unique transformation of a state-socialist system into (as was then predominantly assumed or intended) a democratic-capitalist one patterned on the Western model. The main interest of the social sciences in the middle phase of this triple-stage *breakdown* of the old system was the institutional, economic, political, and cultural *foundation* of a new social system and, ultimately, the institution of the heretofore highly uncertain conditions for its stabilization and *consolidation* (cf. Offe 1994; Offe 1996; Elster, Offe and Preuss 1998).³

The issues transition studies have addressed (and still address) since their emergence – a list by no means finite, but one that has grown with time – consist of the following “construction sites” where the search for an understanding of past developments as well as attempts to find solutions for current problems is going on:

1. The transformation of a state-socialist economic system into a private-capitalist one with its three core institutions (private ownership of the means of production, the labour contract, and price formation in markets) raises the question of how and to whose benefit state-owned productive capital is to be privatized in order to achieve a “capitalism without capitalists,” (Eyal, Szelenyi Townsley 2001). Among the procedures and methods by which this foundational problem of starting a post-socialist economy can be solved are voucher privatization, management buy-outs, restitution of assets to former owners and their heirs, foreign direct investment, the formation of housing and other cooperatives, etc. At the same time, an institutional infrastructure of a capitalist economy must be established: a banking system consisting of a central bank and commercial banks, stock exchanges, fiscal authorities, a civil law courts system, and the rules of collective bargaining to regulate the labour market. What theoretical assumptions, models, power relations, and interests play an role in this creation process, and how does it differ from country to country? And what is to happen in the meantime, in the transitory phase of a wild and raw, not yet institutionalized “grab and run” capitalism, where the old institutions are no longer operative and the new ones not yet functional? And what is to be done to provide institutional structure to the often large informal sector of the economy?
2. At the same time it is necessary to establish and staff *political* institutions (constitutions, political parties, parliaments, electoral laws, mass media, liberalized educational institutions, and public administration organs on various territorial levels). This usually is to be performed by people who have gained their professional experience and skills under the old regime. To what degree are Western models adequate for this necessary and urgent institutional construction process,

³ In the 1990s I participated in these efforts together with, among others, Jon Elster, Ulrich K. Preuß and Philippe Schmitter.

- and how is it influenced by the usually high presence in it of *ancien regime* elites and other personnel, as well as by Western “experts” with their often dubious competence and questionable agendas?
3. Every transition from an authoritarian regime to an at least partly liberal system raises the question of *transitional justice*, or how the new regime is to come to terms with the old regime’s elites as well as its victims in a way that can be qualified as both feasible and “just” – e.g., by the penal or political sanctioning of “perpetrators”, the “vetting” of functionaries and officials, the material or symbolic compensation or rehabilitation of “victims”, or the disclosure of information about the wrongs that have been perpetrated through “truth commissions”, with the prevailing hope that this will eventually lead to lasting reconciliation between perpetrators and victims, or at least to some degree diminish the potential for conflict related to the recent past and create trust in the new regime and its institutions through more or less extensive methods of “lustration”. The case of Germany, more than any other, is illustrative for no less than three variants of a *transitional justice* regime (the Federal Republic after 1945, East Germany after 1945, the Federal Republic after 1989).
 4. The post-communist transition process has been marred by deep political and cultural conflict between ethnically identified social groups as well as religious and linguistic divides. Where the Western-European “state nations” see their states as belonging to all of their *citizens*, Central-East Europe has largely remained with the “culture nation” model, or has revived it upon the demise of Soviet-style coerced internationalism. In effect, the state is primarily seen as the property of an ethnically native and exclusive *titular nation*. Thus, for instance, Article 36, section 1 of the Bulgarian constitution of 1991 states that the acquisition and usage of the Bulgarian language is a “right *and duty* of every Bulgarian citizen” [emphasis added] – to the evident disadvantage of the country’s Turkish-speaking minority. What further escalates such conflicts is that the internal ethnic minorities which exist in many countries of the region are (or at any rate can be) regarded as *external* bridgeheads of neighbouring peoples remembered and feared for their history of imperial hegemony in the past. This is the case with ethnic Russians in Estonia, Latvia, and the Caucasus, Germans in Poland, Hungarians in Slovakia, Romania and Serbia, Serbs in Croatia and Turks in Bulgaria. Little comparable tension has been noticed between Ukrainians and ethnic Poles in Poland, where there is no stigma of remembered imperial domination. An additional hotbed for conflict is the discrimination and social-economic suppression of the region’s only ethnic group that was never *state-seeking* – the Roma.
 5. The post-communist transformations in Central-East Europe have been steered and stimulated by *external* players to a much greater degree than in the case of the (re-) democratization of Latin American military dictatorships, and rather resemble the Southern-European examples of Spain, Portugal, and Greece (1974–1975). It is no exaggeration to speak of an attempted Western “conquest” or “land grab”, though partly also driven by arguably noble intentions. This external steering began in the early 1990s with “civil society” initiatives broadly, albeit only moderately successfully, undertaken by Western foundations, parties,

religious communities, media, trade unions and academic institutions for *democracy promotion* purposes. Also noteworthy in this context is the simultaneous appearance of Western direct investments and added-value and supply chains, which, drawn by the region's low labour costs and skilled human resources as well as the tax reliefs eagerly granted to Western investors, played a major role in the economic development of the post-communist countries. However, by far most instrumental in the external steering of Central-East Europe's transformations were the supra-national entities of the North Atlantic Treaty Organization (NATO), the European Union (EU) and the International Monetary Fund (IMF). While NATO focused on the permanent shift of its military boundaries eastward, the EU's aim was the sustainable economic, political, and institutional "Westernization" of the region's countries. With the EU's 1993 three Copenhagen Criteria (liberal democracy, competitive market economy, acceptance of the EU's entire legislative *acquis* and its consistent implementation), the post-communist countries were offered a "deal" henceforth known as "conditionalism": comprehensive political and economic modernization and liberalization according to Western democratic capitalist models in exchange for EU membership with the accompanying structural transfers and access to the Community's internal commodity and labour markets. Since then (and with the special exception of the German Democratic Republic, which ceased to exist after its 1990 fusion with the Federal Republic of Germany), eleven post-communist countries, including two former Yugoslav republics, joined the EU under these conditions in three "eastern enlargement" rounds (of 2004, 2007 and 2013).

Now that the "deal" has been concluded for these eleven cases and the conditionalism lever is no longer effective, the question that arises is about the quality of the outcomes. The answer is marked by disappointment on both sides. The old EU-15 member states complain about the at best partial, and in some cases evidently failed *political and institutional* modernization and liberalization of the new member states which are reflected in the EU's ongoing legal action against their semi-authoritarian government policies based on article 7 of the Treaty on the European Union. Conversely, the new members decry the fact that the completion of their prospective *economic convergence* is still quite distant, and where it is slowly progressing is being paid for with a strongly regressive distribution of income, assets and other life chances.

6. In many of the new member states problems connected with social security, distributive justice, services in areas like healthcare, housing, and education, as well as poverty prevention and retirement income remain unresolved, and are further escalated by the generally noticeable and deepening, as in Western Europe, disparities between urban and rural areas and their effect on electoral preferences. The citizens of these countries grew under state-socialist institutional and political premises and hence have come to expect some dependable, if modest, welfare-state provisions. They are completely unaccustomed to the risks connected with unemployment and market-determined housing costs. Large parts of these societies have a similarly negative, or outright distrustful, view of the two basic novelties with which the post-socialist era has confronted them – the capitalist

market economy and political democracy. In effect, they show a strong tendency to react positively to authoritarian and populist political doctrines with their promises of distribution, protection, and tax subsidies (e.g., for families). This is why the answer to the question about the consolidation and acceptance of democratic capitalism in the new member states (and equally about their European integration) is clearly and often increasingly marked by scepticism.

7. The annual GDP per capita gap between member states is currently (2019) 12: 1 (Luxemburg: Bulgaria). Only the three economically most advanced CEE member states (Slovenia, Estonia, Czech Republic) have managed to surpass the least prosperous EU-15 member state (Greece). The current slight closure of the gap is due not to the new members catching up but to some of the old members sliding into stagnation. The continuing prosperity gap between the old and new member states, which is slowly diminishing only in the case of privileged minority groups of citizens, has, on the one hand, led to a mounting political, social, and economic East-West rift within the EU, and, on the other, to a resulting rise in migration trends, mainly visible in the young generation. Over the past thirty years, all the countries of the region have lost from 10 to over 20 percent of their working-age populations through emigration, mostly to the old member states of the EU-15. The result is a (fully uncompensated) transfer of human capital from East to West, which has not only helped the ageing target countries to partly fill their demographic gap, but also, as in the case of Germany, to economize on their professional training and labour costs. In this way, between 2009 and 2017 the new member states have transferred an estimated € 100 billion in training costs to the German economy alone (so much for the much-invoked concept of a “transfer union”, which, according to German austerity propaganda, it is so essential to rule out!). The effects that migration movements of this order of magnitude may involve are of a dual nature. For one, there is the threat of “demographic panic” (I. Krastev) in the emigration countries, nurtured by fears that native emigrants will sooner or later have to be replaced by non-European immigrants. Secondly, the loss of skilled labour (average age: 30 years) may permanently impede economic and industrial growth in these countries, which in turn could further postpone the “convergence” process and reinforce the emigration trend.
8. When it comes to the strict rule-of-law demands set down as conditions for EU membership in the 1993 Copenhagen Conditions, their violation *after* a country’s accession and the lifting of the pressure of conditionalism can no longer be sanctioned. Because this not only gives the elites of the new member states room for unpunished infringements of fundamental constitutional principles (especially in the spheres of judicial independence and the protection of fundamental rights), and frequently also for political and other corruption. In the case of such violations, the European Commission has for years now been in a legal and diplomatic trench war with the governments of some of the new member states, and its objections appear to be well grounded in both above-mentioned spheres. In the case of political corruption, ongoing media coverage, observations by Transparency International and, not least, research by Alina Mungiu-Pippidi have revealed extensive casuistry in both political corruption variants. For one, wealthy players

(e.g., the so-called “oligarchs”) use their private funds to “buy” desired political decisions (court rulings, election results, government posts, etc.). In the opposite direction, so to speak, public funds and government decisions (e.g., regarding the assignment of public contracts or amendments to media laws) are employed to effectively benefit friends, associates, supporters, networks and family members, who can then be asked to reciprocate as desired. These two forms of political corruption make the relatively straightforward self-enrichment of various high officials through fraud, embezzlement or nepotism appear somewhat less significant. Moreover, there are still no convincing answers to the urgent question – and pertinent not only for post-communist regimes – of how to bring political corruption under control by judicial, organizational, journalistic, or methods of professional training and socialization.

9. Another noteworthy area in the comparative study of the transformations triggered by the breakdown of state socialism concerns the special conditions which were decisive in the unique case of the German Democratic Republic in contrast to its former “brother countries” under the umbrella of Comecon and the Warsaw Pact. Unlike in all the other countries, East Germany, which never achieved the full status of a *nation* state, there was neither territorial continuity nor partition through splitting up of the former territory (as in all cases of the *federal* socialist states – the Soviet Union, Yugoslavia and Czechoslovakia). Instead, the transition took effect in the country’s contractually sealed self-dissolution and *merger* with another state, West Germany, which then (from one minute to another at midnight on October 2, 1990) became an “all-German” Federal Republic. The Federal Republic’s material and human resources enabled it to support the transition process relatively generously, whereby the shaping of the political and economic future of the “new” *Länder* was not left to the ambitions and inventiveness of their people (as in all the other countries), but was largely taken over by a more or less paternalist West German political and economic elite. This elite had readily renounced the provision of the German constitution’s Article 146, which called for re-unification to be followed by the making of a new German constitution replacing the Basic Law (originally conceived of as a temporary arrangement). In this situation, the relatively broad availability of human resources made it possible to sanction and remove the political, administrative, judicial and academic elites of the former German Democratic Republic more rigorously and to replace it faster and more thoroughly than in all other countries – although the risk of a revival of state-socialist ambitions which this replacement was allegedly meant to prevent was actually much smaller than elsewhere owing to the existence of the newly-formed united state, of which the citizens of the former GDR made up just over a fifth of the population.
10. It has taken three decades, or a whole generation, for it to become clear that the long arm of their state-socialist past still has a rather strong grip on the present day of the post-communist societies, both in the former German Democratic Republic and the other transformation countries. Despite partly impressive growth figures (Poland, the Czech Republic, Slovakia) and huge financial transfers from West to East (East Germany), there still exist strongly-rooted differences not only in prosperity, but also in these societies’ political preferences. Also, the broad ma-

terial and ideological support for middle-class entrepreneurship extended on the national and EU level has still not led to the hoped-for emergence and growth of an entrepreneurial middle class. Today's populist movements and parties are successful not only on territories once occupied by state socialism, though about doubly so there as in most parts of Western Europe. Thus, unlike in Italy and Austria, in Poland and Hungary populist movements seem to have permanently cemented their power through semi-authoritarian institutional reforms.

11. These surprisingly enduring differences between East and West, which also hinder cooperation on the EU plane (e.g., in the field of migration policy), still need historical and sociological analysis. Their roots may partly lie in the fact that the collective memory and political-cultural experience of the German Democratic Republic (as well as most of the remaining Comecon countries) lacked two elements which are firmly embedded in Western-European reality: the migration-related *heterogeneity* of Western resident populations, which developed over decades of continuous immigration (either of the post-colonial sort or by reasonably well-integrated "guest workers"), and the trend towards "fundamental liberalization" triggered in the 1960s by women's, student, peace, civil rights, and ecological movements.

If there exists a plausible explanation of the inner causes of the sudden breakdown of the state-socialist systems, then it would be, I submit, something like the following one: The deficiency that decided about the fate of state socialism, its crucial construction defect, lay in its *institutionally sealed incapacity for unbiased self-observation and self-judgment*. There were no independent media, there was hardly any autonomous social or historical research, no reliable economic accountability, no independent judiciary, no genuine and recognized opposition, no independent art and no public sphere. The absence of all these "liberal" (or, simply, "modern") institutional provisions and opportunities for reflection and contact with realities, coupled with the suppression and persecution of social and cultural differences, resulted in the state-socialist system's omission of the necessary learning and continuous self-evaluation on which, for better or worse, its entire existence depended.

In conclusion, let me address the issue of Europe, the EU, and the prospects for its further integration. Few if any of the problems that remain after the demise of state socialism can conceivably be healed by EU policies and European laws and programs. The new member states, each of them with their distinctive historical experience and the political culture and mentalities shaped by that experience, must cope with the challenges I have listed by their own means and political forces. There are exceptions, though, to this rule of thumb. Let me mention two of them.

First, the EU has a considerable amount of resources, such as structural and cohesion funds, at its disposal that have been and will be in the future transferred to its post-communist member states. The transfer of these resources amounts to several percentage point of the national GDP in some of the recipient countries. Second, the EU can use its political and judicial competencies to enforce standards and principles that are entrenched in the Treaties and considered fundamental and non-negotiable by EU authorities. Examples are the rights specified in the Charter

of Fundamental Rights and democratic essentials such as the division of powers and the independent judicial review of administrative and political practices. These competencies have resulted in the pending so-called Article 7 proceedings initiated by the Commission against several of the new member states. As these proceedings have not resulted so far in any mutually accepted decisions (which is due to the fact that basic and vehemently contested issues are involved, such as the question of constitutionalism vs. democracy and the operational meaning of subsidiarity), it is unsurprising that strong forces within the European Parliament are currently (in late 2019) advocating the use of financial sanctions (i.e., the first lever) in order to strengthen the effectiveness of the second lever and enforce compliance with those principles and fundamentals. It still appears to be an open question whether or not such revival of enhanced conditionalism will serve its stated objectives of more effective enforcement, or whether it will, to the contrary, provoke the resistance and defiance of the governments targeted, thereby exacerbating the divide between (some of the) old and new member states of the Union.

Finally, let me invert the perspective and touch upon the question of how the national histories – and codified memories of those histories – impact upon the EU and its integration. As (hopefully) every school kid in Europe knows by the age of 14, there had been an earlier attempt to “integrate” Europe through German imperial domination and by military means in the “31 years war” of the first half of the 20th century. Almost all of the territorial neighbours of Germany and several more were victimized during WWII by German military aggression and occupation. Similarly and additionally, the history of most of the new member states is shaped by their being coerced, in the late 40s and for the duration of roughly 40 years, to join the Soviet empire and suffer from its “internationalist” rule. It is entirely unsurprising that strong feelings remain as residues of these histories and remembrances: feelings of resentment, suspicion and fear, an intense aversion to everything that smacks of foreign rule, national pride, dignity and a strong longing for national independence. The impact of these sentiments and cultural residues on the EU certainly need not be centrifugal; but it would be dishonest to deny that those residues are likely to remain a source of frictions in Europe and fuel populist and ethno-nationalist mobilization with implications of a possible relapse into some novel form of “soft” authoritarianism.

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