

## The European integration of the western Balkans<sup>1</sup>

### Abstract

This article, the first in a series, provides an analysis of the south-east European EU integration project, taking here a historic perspective of the position as it applied in those first twenty years up to 2009. It seeks in particular to question the ‘turning point’ rhetoric – often applied to the fate of countries of the region and the European Union. It is clear that Europe is currently facing a ‘polycrisis’: a crisis in economics (banking, debt, currency, growth, inequality, cohesion and work); an institutional and political crisis; and also a crisis of imagination and trust. Indeed, the end of the post-Wall era is characterised by an immediate post-accession crisis apparently introducing a period of de-consolidation. As to how the EU and south-east European integration responds to this, the view of the author is that there is a need for paradigm change, prompted by a new understanding of the post-1989 period, by Europe’s multi-layered, polycentric nature and by the magnitude of the new world order’s changes, all of which have rendered the Union’s instruments and strategies thus no longer appropriate for tackling the challenges of the twenty-first century.

**Keywords:** western Balkans, EU integration, transition, reform, migration, social dumping

### Introduction

In 2016, the European Union welcomed as member states: Iceland; Macedonia; Montenegro; and Serbia. 2017, Scotland, that had just left the UK, joined the EU bloc. In 2018, the EU collapsed.

This was the narrative of the art project that Thomas Bellinck exhibited in 2013 in Brussels – a welcome, ironic and provocative ‘reality check’. The Flemish artist conceived the ‘House of European History in Exile’ as a fake museum: the year is 2063 and *Friends of a Reunited Europe* has organised the ‘first international exhibition on life in the former European Union.’

The intention is to remember the time when ‘People everywhere used a single currency called the Euro,’ when ‘National borders were blurred’ and when Brussels was the heart of the old continent. Meanwhile, after the 2014 elections and the spectacular breakthrough of nationalist parties, and under the weight of its own contradictions, the EU disintegrated in 2018. And ‘Europe dwindled to what it had always been: a politically-divided continent.’

1 A presentation drawn on the text published here was made as the keynote in the framework of the SEER Anniversary Symposium: 20 Years of *SEER Journal for Labour and Social Affairs in Eastern Europe*, Tuesday 8 May 2018.

Bellinck, who believes in the European project, presented a worst-case scenario because of the necessity:

To consider all the possibilities of how it could go wrong. I think we're at a turning point, definitely.<sup>2</sup>

In terms of current policy, a renewed approach to the 2004 enlargement spotlights the re-evaluation of the multiple transformation to democracy and liberalism – and to nation-state for the post-Yugoslav republics and the Baltic States. The 'co-transformation paradigm' enables a new understanding of transformation and of the EU integration processes that reformulates the 'east-west divide'. Paradoxically, precisely at the very moment Europe reunited, serious divergences have surfaced over Europe's political, economic and social model, over its international identity and over its frontiers. Were these the first signals of the forthcoming distorted Europeanisation – thus symptoms of de-Europeanisation and de-democratisation?

In Claus Offe's words:

The European Union finds itself at a crossroads between something considerably better or something much worse than the plainly unsustainable *status quo*; in other words, in a continuing crisis.<sup>3</sup>

Alternatively, as pinpointed by Jan Zielonka:

The EU cannot be consolidated: it ought to be reinvented.<sup>4</sup>

Such a reinvention intimates a major institutional overhaul of the EU, a complete re-think of its integration policy and, accordingly, an introduction of new procedures for enlargement. Such a perspective would reload the Balkans accession, strengthen the European Neighbourhood Policy (ENP) and constitute a tailored framework to envision constructive relations with Turkey and Russia.

Of course, a variety of trajectories coexist in central, eastern and south-eastern Europe as well as in the 'west'. Each country had a distinctive historical background before communism, evolved along different paths under state socialism and took diverse ways of development, with distinct results, in the transformation after 1989.

The global trend in the early 1990s was to seek to capture the overall global regional picture. The main tendency was, later on, to undertake detailed country-specific research, emphasising in a comparative perspective the differences between countries, regions and even cities. Relying on country-specific as well as on comparative studies, the time has come to combine these approaches. Our objective is thus to shed new light on the issues at stake, moving towards a hybridisation of structural factors and individual ones. Last but not least, instead of considering disjointedly the

2 Thomas Bellinck, interviewed by Ian Traynor, *The Guardian* 9 May 2013.

3 Claus Offe (2015) *Europe Entrapped* Cambridge: Polity Press: Cambridge, p. 1.

4 Jan Zielonka (2018) *Counter-Revolution. Liberal Europe in Retreat* Oxford: Oxford University Press, p. 113.

post-Yugoslav area, such a case-based and comparative approach reviews the post-Yugoslav states in a global regional framework.<sup>5</sup>

## Post-Wall Europe and its paradoxes

### *Reviewing post-Wall Europe*

Discussing the question ‘Does central Europe exist?’ back in 1986, Timothy Garton Ash made the point:

Central Europe is a kingdom of the spirit.<sup>6</sup>

György Konrád’s words also echo these feelings:

To be central European is a world view (*Weltanschauung*) not a state affiliation (*Staatangehörigkeit*). It is a challenge to the ruling system of *clichés*.<sup>7</sup>

This represented a challenge to the priorities and values widely accepted in the ‘west’. Today, we may ask, if central Europe still exists, whether it has changed its priorities and values – or whether its original viewpoints need to be re-opened.

With the breakdown of state socialism (1989), of the Union of Soviet Socialist Republics (1991), of the Socialist Federal Republic of Yugoslavia (1991) and of Czechoslovakia (1993), Europe’s post-War order collapsed. Unprecedented political, social and economic changes happened at breath-taking pace in a rapidly-changing environment. In a highly volatile and unstable geopolitical context, the region *supposedly* underwent a multi-faceted ‘transition process’: from planned economy to neoliberalism; from ‘real existing socialism’ to constitutional democracy; from the Soviet bloc to the Council of Europe and the European Union; and from the Soviet-led military alliance the Warsaw Treaty Organisation (WTO) to the North Atlantic Treaty Organisation (NATO).

A term often used in the 1990s, the above-mentioned ‘transition framework’ clearly exaggerates the alleged coherence of the respective models, overlooks the heterogeneity of post-socialist paths and oversimplifies, with undue generalisations, what indeed amounts to a highly complex and multidimensional process.

### Different trajectories of transition

To start with, there is a variety of trajectories that must be considered. First, to state the obvious, not all central and east European countries were, to the same extent, part of the Soviet-led alliance system – the Warsaw Treaty Organisation and the

- 5 See Christophe Solioz (2017) *Thinking the Balkans Out of the Box: EU Integration and Regional Cooperation – Challenges, Models, Lessons* Baden-Baden: Nomos.
- 6 Timothy Garton Ash (1986) ‘Does Central Europe Exist?’, originally written for *The New York Review of Books* 9 October 1986 issue, available at: <http://www.nybooks.com/articles/1986/10/09/does-central-europe-exist/> and later included in Ash (1989, 1999) *The Uses of Adversity. Essays on the Fate of Central Europe* London: Penguin, p. 169.
- 7 György Konrád (1985) ‘Mein Traum von Europa’ *Kursbuch* 81: 184-193.

Council for Mutual Economic Assistance (COMECON). Second, distinct pathways in the breakdown of state socialist systems and the re-creation of political rule may be identified: transitions from above (the Baltic republics, Bulgaria and Romania); negotiated transitions (Hungary and Poland); collapse (Czechoslovakia and Albania); and a mix of fragmentation and reconstruction (Yugoslavia).<sup>8</sup> Additionally, this transformation framework was completed, for some countries, by the creation of an independent nation state.

Claus Offe’s approach attempts to capture the various dimensions. Offe considers – at macro-, meso- and micro-levels – the economic, political and national-cultural modes of integration in the early 1990s. He assumes that each country predominantly prioritised one of these modes. His classification (reproduced in Table 1) permits us to describe and significantly contrast the trajectories of six selected central and east European countries in transition.

**Table 1 – A classification of (post-)Communist states**

	CSR and GDR	Hungary and Poland	Bulgaria and Romania
Duration of transition or breakdown	Short	Long	Very short
Mode of transition	Capitulation of old regime	Party competition/ election	Compromise
Geo-strategic location	Front-line states	Intermediate	Remote from western Europe
Industrial output per capita before 1989	High	Intermediate	Low
Level of ‘nationalist’ integration	Precarious to non-existent	Low	High
Level of repressiveness	Intermediate	Low	High
Elite continuity before/ after 1989	Low	Intermediate	High
Institutional change of economic system	Rapid	Slow	Delayed
Prospects for integration into EC	Favourable	Remote	Very remote
Nature of ethnic minority conflict	Non-existent	External minorities in neighbouring countries	Internal minority with ties to neighbouring country

8 We follow here Sabrina P. Ramet and F. Peter Wagner (2010) ‘Post-Socialist Model of Rule in Central and Southeastern Europe in Sabrina P. Ramet (Ed.) *Central and Southeast European Politics Since 1989* Cambridge: Cambridge University Press, pp. 17-18. See also the vivid country-specific account of György Dalos (2009) *Der Vorhang geht auf. Das Ende der Diktaturen in Osteuropa* Munich: Beck.

	CSR and GDR	Hungary and Poland	Bulgaria and Romania
Record of economic reforms	Extensive up to 1968, thereafter discontinued	Continuous, increasing after 1968	No significant reforms
Record of internal opposition	Weak and late	Strong and continuously increasing	Very weak due to repression
Constitutional development after 1989	Only after territorial re-organisation	Gradual revision of old constitution	Rapid adoption of new constitution
Size of private sector	Small and decreasing	Big and increasing	Non-existent
Religious structure	Strongly Protestant	Roman Catholic majority	Orthodox Catholicism
International crises	Dramatic (1953, 1961, 1968)	Intermediate	Non-existent
Prevailing mode of societal integration	Economic success	National identity	Political repression

Source: Claus Offe (1996) *Varieties of transition* Polity Press: Cambridge, p. 139

Note: Following the division of Czechoslovakia, which took effect in 1993, Slovakia should increasingly be considered in the same category as Bulgaria and Romania.

Evidencing the plurality of nationally-specific transitional paths, such a finding prompts a quite stable form of classification:

[...] there are two cases in the category of societies integrated primarily through economic success: namely, the GDR [German Democratic Republic] and the CSR [Czechoslovakia]; then there are Poland and Hungary, which are integrated predominantly through national identity; and lastly we have Romania and Bulgaria, which are, above all, integrated by means of (repressive) political rule.<sup>9</sup>

Third, political economy matters. As Dorothee Bohle and Béla Greskovits note:

Once the socialist system fell apart, its pieces began to move on different but patterned rather than random trajectories, which produced a diversity of market societies instead of a single variant.<sup>10</sup>

Against the background of the interaction between government, corporatism, welfare state, the market, macroeconomic co-ordination and the quality of democracy, the authors' comparative study maps three types of post-socialist political

9 Claus Offe (1996) *Varieties of Transition. The East European and East German Experience* Cambridge: Polity, p. 140.

10 Dorothee Bohle and Béla Greskovits (2012) *Capitalist Diversity on Europe's Periphery* Ithaca: Cornell University Press, p. 2.

economies, respectively branded as ‘neoliberal’, ‘embedded neoliberal’ and ‘neocorporatist’, according to the vigour with which, and the forms in which, transformative actors have used state power to build market economies:

The distinctive features of the Baltic neoliberal regime consist of a combination of market radicalism with meager compensation for transformation costs, together with severe limitation of citizens’ and organized social groups’ influence in democratic politics and policy-making.

In turn, the Visegrád states’ embedded neoliberalism is characterized by a permanent search for compromises between market transformation and social cohesion in more inclusive but not always efficient systems of democratic government.

Slovenia has combined the least radical strategy of marketization with the region’s most generous efforts to compensate transformation’s losers. Moreover, uniquely in the postsocialist world, this country exhibits many features of a democratic corporatist polity, where negotiated multilevel relationships among business, labour and the state orient political rivals toward compromise solutions.

Finally, we propose that via different paths and with delays, Bulgaria and Romania have adopted many features of the neoliberal model and Croatia those of the embedded neoliberal regime.<sup>11</sup>

Following Karl Polanyi’s approach, the authors’ analysis connects most interestingly the concepts of nation building and state capacity (including the dimensions of social cohesion and political legitimacy) with economic regime formation; thus linking the political and economic spheres.

### The framing of the Europeanisation paradigm

The transition paradigm mostly suggests that the ‘east’ – a political misnomer produced by the Cold War – and consisting actually of central and eastern Europe, including former Yugoslavia, needed to change while the ‘west’ was supposed to remain as it was. The embraced strategy was based not on unification but on ‘accession’: political alignment built on the EU’s intrusive package of political and economic conditionality. Accordingly, the ‘east’ adopted norms and rules, institutions and regulatory frameworks defined by the ‘west’ – by that time, the fifteen EU members plus the International Monetary Fund (IMF) and, since 1998, the European Central Bank (ECB). So the narrative says.

Germany best exemplifies this schema: calls to amend the German constitution in 1990 – former civil rights activists from East Germany (GDR) asked for the inclusion of more elements of direct democracy and more basic social rights – were simply rejected. Noteworthy is that the *Grundgesetz für die Bundesrepublik Deutschland* (Basic Law) has never been submitted to a popular vote: neither the original version in 1949 nor the amended West German Basic Law in 1990. German unification was thus based not on state merger but on the 1990 ‘accession’ of the five new *Länder* plus the eastern part of Berlin; or, to put it differently, on the expansion of the FRG to include the territory of the former GDR — on the basis of Article 23 of the Basic

11 *ibid.* p. 3.

Law. The Unification Treaty was signed on 31 August 1990 and came into force on 3 October. By approving the Treaty on 20 September, the GDR dissolved itself.<sup>12</sup>

Accordingly, the transformation process in the GDR was unique. Offe notes:

Owing to the dominant role played there by external forces, the GDR's case had less to do with a transformation *from above* or *from below* and more with a change *from outside*.<sup>13</sup>

Instead of the path to Europe, the GDR took the path to Germany. And East Germany was condemned to 'learning'. 'Accession as *Anschluss*', lamented Stefan Heym, the famous East German writer who supported the civil rights movement during the 1980s.<sup>14</sup>

It matters to remind ourselves that the West German Basic Law was initially conceived as a temporary constitutional framework for a provisional state, assuming that an eventual unified Germany would eventually adopt a new constitution – a possibility clearly envisioned by Article 146 of the Basic Law, but not enacted.<sup>15</sup> All in all, East Germany's population, to use Offe's words, was:

Prevented from effectively taking part in the redesign of the social order,

as well as from making:

Its own, morale-discerning contribution towards shaping its own future."<sup>16</sup>

Despite the unique mode of its transformation, the East German case stands for the 'alignment paradigm' systematically applied to all transition countries. The exogenous actors did not, initially, consider the alternatives: possible alternative strategies were rarely projected and almost no-one raised the issue of what the 'west' might be able to learn or adopt from the 'east'. The very notion of the 'backwardness' and 'lags' of central, eastern and south-eastern European countries framed the Europeanisation paradigm as well as the 'export strategies'.

We may ask if Europe would have been different if politics and the public in the 'west' had opened a serious debate on the values of the 1989 revolution – such as 'living in truth', 'parallel *polis*', the creation of 'civil society' and 'anti-political politics' – as promoted by the dissidents.<sup>17</sup> The 'return of Europe' would, we might imagine, have become different than the 'east' one-sidedly adjusting to the 'west'.

12 See Charles S. Maier (1997) *Dissolution. The Crisis of Communism and the End of East Germany* Princeton: Princeton University Press.

13 Offe (1996) *op. cit.* p. 148.

14 See Stefan Heym (1990) 'Non à la réunification', *Le Nouvel observateur* 1-7 February, pp. 100-101.

15 See *Grundgesetz für die Bundesrepublik Deutschland* (1949). Available at: <https://www.gesetze-im-internet.de/gg/BJNR000010949.html> [last accessed 23 March 2018].

16 Offe (1996) *op. cit.* p. 151 and p. 152.

17 See Aspen E. Brinton (2016) *Philosophy and Dissidence in Cold War Europe* Basingstoke: Palgrave; and Christophe Solioz (2016) 'L'Europe doit renaître si elle ne veut pas imploser' *Le Temps* 11 January, p. 11.

The gap emerges when taking into account that the EU never spelled out clearly the vision of Europe for which it was striving. In 1985, the then President of the European Commission, Jacques Delors, even warned that the EU might well become, in some thirty or forty years, an ‘unidentified political object’.<sup>18</sup> Efficiency, not democracy, was the key; technocrats dominated policy-making and were disconnected from politics and the concerns of citizens. Sabrina Ramet and Peter Wagner emphasise:

Lack of civic and political engagement and the turn to ‘radical’ political parties and movements are symptoms that point in a clear direction. What ails the people in both the new East and the new West is a lack of democratic venues and a lack of democratic transparency and accountability on the part of the overall political system – and thus the failure of that most noble of promises that ‘1989-91’ harboured: democracy itself.<sup>19</sup>

Thus, a pragmatic understanding of democratisation, integration and cohesion might be the solution to what ails societies, both in the ‘east’ and the ‘west’. Amitai Etzioni’s value-driven approach of integrative networks engaging in moral dialogues precisely strengthens integration, stimulates a sense of community and illustrates that past values may well be reloaded.<sup>20</sup>

### Contested transformation

This transformation process<sup>21</sup> is often presented as if it would have merely consisted of the adoption and implementation of what had ‘worked well in the west’: foreign-driven ‘imposed’ reforms; typically, EU rules and norms as formulated notably by the *acquis communautaire*. However, it turns out that the adoption of these changes involved in the ‘east’ a broad spectrum of strategies ranging from adoption to adaptation and mitigating; from circumvention and reinterpretation to opposition and resistance.

The latter becomes more visible when the long-standing heritages, organisation and structure of groups, and sectoral and national interests, are considered. Widening the perspective, Gernot Grabher and David Stark suggested in 1997 the need to pay attention to ‘circuit-breakers’ and, further so:

- 18 Speech by Jacques Delors on 9 September 1985 at the first Intergovernmental Conference (IGC) in Luxemburg. See also his speech delivered in March 2001: ‘Where is the European Union heading?’ Both are available at: [www.cvce.eu](http://www.cvce.eu) [last accessed 6 April 2018].
- 19 Ramet and Wagner (2010) *op. cit.* p. 32.
- 20 See Amitai Etzioni (2001) *Political Unification Revisited: On Building Supranational Communities* Boston: Lexington Books.
- 21 ‘Transformation’ is viewed here as an ‘Especially far-reaching, extensive and accelerated change of a political system, economy and society,’ from Philipp Ther (2016) *Europe since 1989. A History* Princeton: Princeton University Press, p. 22.

With the concepts of compartmentalization, asset ambiguity and local ecologies of meaning we can proceed to analyse how actors reconfigure legacies, linkages and localities to forge pathways from state socialism.<sup>22</sup>

The Slovenian case provides an interesting illustration. Jeffrey Sachs came to Ljubljana in 1992 to propose an IMF plan for privatisation but Jože Mencinger, then Deputy Prime Minister, and other Slovenian economists were strongly in opposition. Mencinger's statement has to be quoted:

We listened to them, but didn't follow their advice. Their agenda was based on ideology, not economics. And the US advisors didn't see a difference between Slovenia and Mongolia.<sup>23</sup>

Ultimately, the chosen macroeconomic agenda diverged from the IMF advice. Bohle and Greskovits note, strikingly:

Resistance to external pressures for the banking sector's hurried Europeanisation in the course of EU accession helped the Bank of Slovenia to succeed with the main task of Europeanization after accession, namely compliance with the Maastricht criteria for macroeconomic convergence.<sup>24</sup>

Contrary to the dominant viewpoint, resistance to change may, paradoxically, foster change.

This has shed new light on 'dependency', a concept often taken for granted. Instead, multiple locally-driven strategies amounting to 'self-transformation' should be seen as 're-combination', 'ownership' and 'hybridisation' processes,<sup>25</sup> except for the GDR. And these practices were present before, as well as after, 1989 – as David Stark notes:

If by the 1980s the societies of Eastern Europe were decidedly not systems organized around a single logic, they are not likely in the post-socialist epoch to become, any more or less than our own, societies with a single system identity. Change, even fundamental change, of the social world is not the passage from one order to another but rearrangements in the patterns

- 22 Gernot Grabher and David Stark (1997) 'Organizing Diversity: Evolutionary Theory, Network Analysis, and Post-socialism in Gernot Grabher and David Stark (Eds.) *Restructuring Networks in Post-socialism. Legacies, Linkages and Localities* Oxford: Oxford University Press, p. 22.
- 23 From an interview conducted on 13 September 2006 and quoted by Nicole Lindstrom (2014) 'New Europe, Enduring Conflicts', in Andrew C. Gould and Anthony M. Messina (Eds.) *Europe's Contending Identities. Supranationalism, Ethnoregionalism Religion and New Nationalism* New York: Cambridge University Press, p. 227.
- 24 Bohle and Greskovits (2012) *op. cit.* p. 213.
- 25 See respectively: David Stark and László Bruszt (1998) *Postsocialist Pathways. Transforming Politics and Property in East Central Europe* Cambridge: Cambridge University Press; Christophe Solioz (2007) *Turning Point in Post-War Bosnia: Ownership Process and European Integration* Baden-Baden: Nomos; and François Bafuil (2017) 'The Limits of Europeanization in Central Europe' in Violaine Delteil and Vassil Kirov (Eds.) *Labour and Social Transformation in Central and Eastern Europe* London: Routledge, pp. 23-41.

of how multiple orders are interwoven. Organizational innovation in this view is not replacement but recombination.<sup>26</sup>

Not only Slovenia but also other transition European countries were not passive receivers of democratisation and modernisation packages. The west's export strategies need thus to be nuanced, as Jan Drahokoupil and Martin Myant advocate:

“[The] high level of foreign ownership and control over their economies has justified a claim that these [CEE] countries have developed a form of dependent capitalism. There are reservations to the characterisation of economic dependency. The conventional understanding rightly emphasizes dependence on outside know-how and technology, but overstates the degree to which economic structures are vulnerable, or unsustainable, and one-sidedly dependent on decisions taken in other countries.<sup>27</sup>

A comparative study undertaken in the Czech Republic, Slovakia and Hungary by the same authors tends to demonstrate that employment relations developed not from the transfer of an outside system but from a complex interaction between the conceptions and aims of different actors coming from different institutional settings.<sup>28</sup> Drahokoupil and Myant further distinguish economic dependency from institutional dependency. Multinational companies focused on the first, but they are also negotiating with local actors. Strikingly, the findings of this case study illustrate that:

The element of economic dependency (...) gave support to a role in society for labour which stood as a barrier to the unrestricted hegemony of neoliberal thinking.<sup>29</sup>

Focusing on these, and other, case studies thus enables a more accurate analysis, opens the way to different viewpoints and avoids abstract thought. Putting detailed empirical accounts of post-socialist trajectories into a wider context, dependency proves to be partial and negotiated in the interaction between multiple foreign and domestic actors. Additionally, the emergence of a distinctive central, east and south-east European capitalism may be acknowledged.

David Stark's captivating account of the recombinatory logic of property relations in Hungary exemplifies this. In contrast to essentialist categories of 'state' and 'private property', instead of an abstract shift from a socialist to a liberal paradigm, and taking for granted the privatisation of public enterprises and assets, Stark found:

New forms of property in which the properties of private and public are dissolved, interwoven and recombined.<sup>30</sup>

26 David Stark (1997) 'Recombinant Property in East European Capitalism' in Grabher and Stark (Eds.) *op. cit.* p. 35.

27 Jan Drahokoupil and Martin Myant (2017) 'Dependent Capitalism and Employment Relations in East Central Europe' in Violaine Delteil and Vassil Kirov (Eds.) *op. cit.* p. 42.

28 Jan Drahokoupil, Martin Myant and Stefan Domonkos (2015) 'The Politics of Flexibility: Employment Practices in Automotive Multinationals in Central and Eastern Europe' *European Journal of Industrial Relations* 21(3): 223-240.

29 Drahokoupil & Myant (2017) *op. cit.* p. 56.

30 Stark (1997) *op. cit.* p. 54.

His analysis of the adaptive efficiency of Hungarian *recombinant property* (inter-enterprise ownership) demonstrates that:

Capitalisms are diverse, and that diversity is manifested in forms that cannot be adequately conceptualized as mixtures of capitalism and socialism. By analysing recombinant property not only as the dissolution and interweaving of elements of public and private but also as a blurring of organizational boundaries in networks of interlocking ownership, we can escape, for example, the terms of the debate about whether the ‘lessons of East Asia for Eastern Europe’ are the virtues of neo-liberalism or of neo-statism. Instead we join economic sociologists who are studying the East Asian economies from a network-centred approach in which not markets, nor states, nor isolated firms, but social networks are the basic units of analysis.<sup>31</sup>

Strikingly, as Stark highlights:

The hedging strategies and boundary-blurring in post-socialist reconstruction, it seems, find counterparts in some of the technologically most highly sophisticated sectors of North American and West European capitalism.<sup>32</sup>

Corporate networks analysis thus paves the way to a new understanding of regional variants and to the depth and length of the ongoing transformation process in central, eastern and south-eastern Europe.

Our analysis requests that we additionally integrate other layers, often neglected until recently, in the literature. First, exogeneous actors – such as multinational companies and intergovernmental organisations – have proven to be unexpectedly less intrusive than first imagined and have had to take into account the above-mentioned strategies. The transformation paradigm thus over-estimated homogeneity and neglected the diversity of export agents’ strategies. Second, ‘self-transformation’ matters. Central, east and south-east European countries have, indeed, themselves influenced their post-socialist paths. Past legacies – notably the nature of pre-communist and communist state legacies – seem to have had both a short-term impact, thus during the immediate post-Wall era, as well as a long-term one.<sup>33</sup> Combining these layers leads towards an interactive paradigm combining multi-faceted dependencies.<sup>34</sup>

This transformation process unfolded, mostly peacefully, everywhere in central and eastern Europe, but not so in former Yugoslavia.<sup>35</sup> Nevertheless, the same dynamic of balanced external influences – albeit more intrusive than elsewhere in the region – and weak home-grown ownership strategies were also at stake here, notably

31 *ibid.* p. 55.

32 *ibid.* p. 58.

33 See Herbert Kitschelt *et al.* (Eds.) (1999) *Post-Communist Party System. Competition, Representation and Inter-Party Cooperation* Cambridge: Cambridge University Press.

34 See the very convincing case study presented by Ilona Huned and John Geary ‘Institutional transition, Power Relations and the Development of Employment Practices in Multinational Companies operating in Central and Eastern Europe’ in Violaine Deltiel and Vassil Kirov (Eds.) (2017) *op. cit.* pp. 60-76.

35 See Marina Glamocak (2002) *La transition guerrière* Paris: L’Harmattan.

in the current never-ending post-war period (this concerns, of course, more specifically Bosnia and Herzegovina as well as Kosovo).

Neo-corporatism in Slovenia, widespread state weakness, nationalism and war (in former Yugoslavia) and marked financial and economic downturn – prompting the ongoing destabilisation of political life – in the late 2000s have turned the Balkans (including Bulgaria and Romania) into a most heterogeneous sub-region in terms of regime variety and stability. Consequently, external actors as the IMF and the EU have become more intrusive. As for Bulgaria, Romania and the western Balkans, the EU has focused on harsh conditionality and close monitoring, threatening repeatedly to postpone membership if reforms were not implemented in a timely fashion. Paradoxically, and noteworthy in contradiction to the conditionality of regional co-operation, the EU accession process has, at different speeds and in its regionalisation programmes, increased regional fragmentation and the region's heterogeneity.<sup>36</sup>

From what to what?

This transformation process in the 'east' – admittedly global trends likewise – exerted oft-overlooked effects in the 'west'. The following juxtaposes a series of different sequences at random in order to attempt to capture the 'polyphony' at work.

To begin with, the 'Americanisation' of the Federal Republic of Germany in the 1960s went far deeper than the 'Sovietisation' of the German Democratic Republic.<sup>37</sup> As for the latter, David Stark delivers the rationale:

The numerous studies from Eastern Europe [are] documenting parallel and contradictory logics in which ordinary citizens were already experiencing, for a decade prior to 1989, a social world in which various domains were not integrated coherently. (...) Through survey research and ethnographic studies, researchers have identified a multiplicity of social relations that did not conform to officially prescribed hierarchical patterns.<sup>38</sup>

Later on, the other way round: Warsaw, Kraków and Prague, benefiting from the boom years after EU enlargement, surpassed Berlin, but small towns in the German Ruhr region mirrored the typical image of communist towns. Did the 'west' become, after 1989, partially like the east, and vice versa?

At another level, reform practices and discourses in central and eastern Europe clearly influenced the German pensions reform and flat-tax systems. These reforms, involving serious cuts in the welfare state and in the social security system, were also introduced in order that Germany's eastern neighbours no longer had a competitive advantage in terms of labour costs. Ther summarises:

Germany, too, went through a process of catch-up modernisation, motivated by a sense of having fallen behind as a country. It was a new experience for it to be measured not only against the West but in some respects also against the reform-hungry East.<sup>39</sup>

36 See Solioz (2017) *op. cit.*; and Bohle and Greskovits (2012) *op. cit.* p. 220.

37 See Timothy Garton Ash 'The German Question' (1985) in Ash (1989) *op. cit.* p. 71.

38 Stark (1997) *op. cit.* p. 35.

39 Ther (2016) *op. cit.* p. 279.

Additionally, the failure of state socialism in central and eastern European countries considerably undermined the left in the ‘west’ and introduced major shifts in European social democracy and the radical left.<sup>40</sup> The time for ‘real existing socialism’ and ‘Eurocommunism’ was over, and so the left-right balance consequently changed. The shockwaves lasted long, and today’s politics is no longer about left or right: this paves the way for previously unthinkable alliances as well as for new political movements which get rid of the old ideological dividing lines, as best illustrated by the Italian movement *Cinque Stelle* and the new French party *La République en marche*.<sup>41</sup>

In the new political environment, Germany’s and Europe’s ‘unification’ became a key political issue at national state level, introducing a new cleavage at the level of national party systems in almost all EU countries and thus bringing profound change to the European political landscape. Among the issues openly discussed: on the one hand, the financial costs of unification<sup>42</sup> and enlargement; and, on the other hand, labour migration waves from the ‘east’. The subsequent 2008-09 and 2015 crises would only sharpen the politicisation of European issues across the EU. Along the new cleavages, there were also some new figures: some politicians coming from the ‘east’ made their career in the ‘west’ – among them, Angela Merkel (Chancellor of Germany from 2005) and Joachim Gauck (President of Germany from 2012 to 2017).

The question as to ‘What kind of Europe is emerging subsequent to these east-west transformation processes?’ thus raises the issue of the ‘co-transformation’ of east and west, notably the oft-eluded question of whether, and how, transformations in the ‘east’ influenced the ‘west’. Tony Judt’s 2005-published *Postwar. A History of Europe Since 1945* introduced this approach, which has recently been further developed by Philipp Ther who suggests that we distinguish between various models: loose connections; correlations (causal connections); and interdependence (necessary and mutual connections). All in all, east-west transfers consider adoption or adaptation strategies and the processes of demarcation.<sup>43</sup>

This process was already active in the sixties and seventies – as the ‘east’ moderately adopted market elements and the ‘west’ integrated aspects of state intervention

40 See the overview provided by Marcello Musto (2017) ‘The Post-1989 Radical Left in Europe’ *Socialism and Democracy* 31(2): 1-32; and Offe (1996) *op. cit.* pp. 189-202.

41 See Colin Crouch (2004) ‘The Political Party under Post-Democracy’ *Post-Democracy* Cambridge: Polity, pp. 70-77.

42 Particularly visible in Germany with the ‘solidarity tax’ introduced in 1991 – in this way, German taxpayers co-financed German unity. Noteworthy is that the same tax covered the additional costs of the then Gulf War (Operation Desert Storm) and its consequences, as well as support for countries in central, eastern and southern Europe. This solidarity surcharge was 7.5 per cent of the tax payment (July 1991-June 1992 and 1995-1997) and 5.5 per cent (1998-present). Information provided by German tax consultancy WW+KN.

43 Focused essentially on Germany, Ther nevertheless considers co-transformation on a Europe-wide basis; see (2016) *op. cit.* pp. 259-287. The original title of this work captures the author’s central thesis: ‘The New Order on the Old Continent: A History of Neoliberal Europe’.

– as discussed by convergence theories. However, co-transformation had diverse fates in the west and in the east:

The problem with this theory, as is now becoming apparent, was that only the West was capable of ‘mixing’, whereas the socialist societies were constantly on the verge of ‘capsizing’ through concessions made to political liberalization (party competition, freedom of opinion), national independence, decentralized forms of ownership and competitive price formation, to say nothing of ‘economic democracy.’<sup>44</sup>

Considering the post-Wall era, we may think at first that only a few countries from the ‘west’ would have been ‘hit’ by the successive waves of enlargement – i.e. the neighbourhood countries of Germany, Austria, Italy, Sweden and Finland. Of course these were directly affected by the post-1989 reforms and changes in the ‘east’. Referring to these same countries, Ther highlights that:

To an extent, these countries were compelled to reinvent themselves. Germany in particular underwent a process of co-transformation that transcended the Cold War boundaries.<sup>45</sup>

It is worth underlining that Germany had to face double competition on the labour market: the influx of labour migrant *from* the ‘east’ and enterprises relocating *to* the ‘east’.<sup>46</sup>

Low labour costs indeed appealed to foreign investors: by 1990, the wage gap between ‘east’ and the ‘west’ was 1:10; by 2004, however, it had been reduced by one-half. Nevertheless, firms considering outsourcing production rely on another set of data: the absolute levels of labour costs (see Table 2).

**Table 2 – Average hourly labour costs (€)**

	2000	2004	2008	2012	2015
Czech Republic	3.7	5.8	9.2	10.0	9.9
Germany	24.6	26.8	27.9	30.5	32.2
Estonia	2.9	4.3	7.8	8.6	10.3
Hungary	3.6	5.9	7.8	7.4	7.5
Poland	4.2	4.7	7.6	7.9	8.6
Romania	1.5	1.9	4.2	4.1	5.0
Slovakia	2.8	4.1	7.3	8.9	10.0

44 Offe (1996) *op. cit.* p. 29.

45 Ther (2016) *op. cit.*; respectively p. 9 and p. 32.

46 Obviously, offshoring in central and eastern Europe concerns not only Germany. It is noteworthy that this tendency started well before the formal entry to the EU of countries from central, east and south-eastern Europe. See Magdolna Sass and Martina Fifekova (2011) ‘Offshoring and Outsourcing Business Services to Central and Eastern Europe: Some Empirical and Conceptual Considerations’ *European Planning Studies* 19 (9): 1593-1609.

Source: Martin Myant (2016) *Unit Labour Costs: No Argument for Low Wages in Eastern and Central Europe* Brussels: ETUI Working Paper 2016.08, p. 18.

Note: Data based on Eurostat.

These figures should be handled with care. Martin Myant pinpoints:

Neither the gaps nor the changes over such a short period seem plausible. (...) If taken seriously, these figures still suggest that a firm that outsources production uses substantially less productive workers.<sup>47</sup>

This inevitably seems contradictory. This sort of wages and productivity comparison may, therefore, be misleading. Indeed, similar figures – related to unit labour costs<sup>48</sup> – have nurtured and distorted the European Commission’s analysis and policy recommendations.

Measures of competitiveness and comparison between countries requires a more complex explanation that lies beyond the scope of this article. Nevertheless, the following example contributes to ensure we face what is at stake:

Škoda in Czechia, part of the Volkswagen Group, pays its employees around a third of the German level. The difference does not reflect lower productivity in terms of cars produced. It is reflected in somewhat higher profits in the Czech plants, in a choice to locate production of cheaper models in those plants and probably also in the low transfer prices of components (notably engines and gearboxes) made in Czechia to other parts of the Volkswagen group. If pay were higher for workers producing Volkswagen engines in the Škoda plant, prices would be higher and the productivity of Czech workers would be measured as closer to that of German workers making the same product.<sup>49</sup>

A more meticulous approach is certainly needed and would extend our field of view.

Turning now to labour migration from 2004, with some 600 000 central European workers (62 per cent of them being Polish) ‘invading’ the UK between May 2004 and June 2006;<sup>50</sup> and the – actually very few – ‘Polish plumbers’ (personifying also in France rival central European workers) supposedly ‘besieging’ the country. As a matter of fact, the influx of new migrants helped the UK emerge from recession, created additional jobs for Brits too and contributed to a welcome higher birth rate than most other EU countries.

47 Martin Myant (2016) *Unit Labour Costs: No Argument for Low Wages in Eastern and Central Europe* Brussels: ETUI Working Paper 2016.08, pp. 19-20.

48 Unit labour costs are a measure of the relationship between labour productivity and labour costs, the second of these being divided by the first to show the cost of labour for the production of a unit of output.

49 Martin Myant (2017) *Upwards Convergence: Why wages growth should be a priority for Central and Eastern Europe* London: LSE EuroPP blog, available at: <http://blogs.lse.ac.uk/europpblog/2017/02/14/pay-rise-eastern-europe/> [last accessed 12 April 2018].

50 UK Home Office minister Tony McNulty. See BBC News story: [http://news.bbc.co.uk/1/hi/uk\\_politics/5273356.stm](http://news.bbc.co.uk/1/hi/uk_politics/5273356.stm) [last accessed 28 March 2018].

Away from the resentment narrative, the ‘old’ established EU countries – the by this time EU-15 states – have mostly benefited from enlargement. As mutual trade resumed, the ‘west’ has run a trade surplus while mutual trade has created a significant net gain of jobs in the ‘west.’<sup>51</sup> Immigration has benefited the host countries and had a direct impact on jobs and welfare schemes – a highly-sensitive issue. More generally, high levels of labour mobility across EU countries were, and still are, needed for a successful ‘single market’ and an integrated eurozone. This is not to say that greater labour mobility automatically contributes to a better functioning of European labour markets.<sup>52</sup>

It was already the case with previous accession countries (Greece in 1981; and Spain and Portugal in 1986) that social dumping – actually low-cost competition perceived as ‘unfair’ – and immigrant labour ‘exploiting’ a country’s social welfare system (an assertion not backed by any evidence) became a major issue conglomerated with the new wave of enlargement.<sup>53</sup> Public resentment against migrants significantly increased in these years. Immigration progressively became a key preoccupation for many citizens. This issue was also a way for people to express first their doubts, and later on their hostility, to the very idea of European integration and cohesion.

The Yugoslav wars prompted, following 1991, various waves of migration and a serious Yugoslav refugee crisis in Europe – UNHCR mentions roughly 2.3 million people having fled their country – but the post-war years provoked new waves of economic migration, mostly of highly-skilled young people looking abroad for a better future. This new ‘brain drain’ is a serious threat to the overall future of the region. It is notable that the Yugoslav migrant crisis (1991-2001) did not initiate massive populist protest movements as did the 2015 refugee crisis, the latter seeing a significantly lower influx but having a much greater impact.

### Towards a better Union

Bearing these cases in mind, we may immediately grasp the necessity of enlarging the lens and bringing ‘east’ and ‘west’ in closer relationship with each other. Certainly, the breakdown of state socialism in central, eastern and south-eastern Europe had a notable impact on the ‘west’ at various levels. Anthony Giddens pinpoints this for the European project as such:

- 51 See Katinka Barysch (2006) ‘East versus West? The European economic and social model after enlargement’ in Anthony Giddens *et al.* (Eds.) *Global Europe, Social Europe* Cambridge: Polity, pp. 52-69.
- 52 Béla Galgóczi and Janine Leschke highlight over-qualification and the corresponding under-utilisation of central and east European migrant workers’ skills as critical issues; see their (2012) *Intra-EU Labour Migration after Eastern Enlargement and during the Crisis* Brussels: ETUI, Working Paper 2012.13.
- 53 See Béla Galgóczi, Janine Leschke & Andrew Watt (Eds.) (2012) *EU Labour Migration in Troubled Times* London: Routledge; and the articles collected in ‘Migration Waves in Eastern Europe [1990-2015]’, *SEER Journal for Labour and Social Affairs* 2017 Special Issue.

The events of 1989 more or less completely transformed the nature of the EU, not just those countries that freed themselves from Communist rule.<sup>54</sup>

The first added-value of the co-transformation approach is to formulate software capturing the complex and multi-level ‘east-west transfer’ and to view east-west relations – during the Cold War as well as afterwards – as a ‘system of interconnected conduits’, as Philipp Ther suggests. We should note that precursory moves ought to be considered. We may mention here Egon Bahr’s *Wandel durch Annäherung* (change through *rapprochement*) policy of the early 1960s;<sup>55</sup> the subsequent east-west *détente*, boosted by the Helsinki Conference on Security and Co-operation in Europe (CSCE) in 1975; and the two oil crises (1973 and 1979), all of which paved the way for trans-bloc interactions, compromise, economic relations and thinking long before the late 1980s.

The second value-add is to depart from ‘methodological nationalism’.<sup>56</sup> Political theory is overwhelmingly framed in a national perspective, so it is high time to explore other paths and thus to shift away from classical state-centric, nation state-based and macro institutional approaches to oft-neglected micro-politics via a consideration of the regional, urban and network levels,<sup>57</sup> and also firms as they are key actors in any economic system. Acknowledging these levels and various locally-driven strategies in channelling, mitigating or opposing foreign-driven intervention highlights the heterogeneity of central, eastern and south-eastern Europe as well as intra-state divergences, most notably the uneven development between urban and rural regions.<sup>58</sup>

Accordingly, the enlarged Union has to be viewed in a new way: beyond a state paradigm – relying on central, hierarchical government and one-size-fits-all rules – a much more flexible and dynamic reality emerges: Europe as a multi-level and poly-centric polity made of multiple, overlapping arenas and networks.

### *Paradoxes of the ‘return to Europe’*

The EU Copenhagen summit of 2002 considered that the eight central and eastern European candidate countries were ‘about to complete’ the transition to democracy and to market economies as well as the demanding process of meeting the burdensome EU entry criteria. These eight countries thus became in 2004 new EU member states, joined in 2007 by Romania and Bulgaria, and in 2013 by Croatia.

54 Anthony Giddens (2007) *Europe in the Global Age* Cambridge: Polity, p. 201.

55 Egon Bahr delivered his famous Tutzing speech on 15 July 1963.

56 See Andreas Wimmer and Nina Glicker Schiller (2002) ‘Methodological nationalism and beyond: nation-state building, migration and social sciences’ *Global Networks* 2(4): 301-334; and Ulrich Beck (2005) *Power in the Global Age* Cambridge: Polity, pp. 43-50.

57 Concerning parallel structures and informal networks, see Grabher and Stark (Eds.) (1997) *op. cit.*

58 See the country-based overview by Piotr Bogumil (2009) ‘Regional disparities in Poland’ *ECFIN Country Focus* 6 (4); and Maciej Smętkoski (2014) *Regional Disparities and Development Dynamics of CEE Regions in the Period of Prosperity and Austerity* Warsaw: GRINCOH Working Papers 6.

Beyond the rhetoric of a ‘reunited Europe’, joining the EU was, for these countries, essentially a way of preserving national sovereignty while achieving economic development. Thus, ‘economic nationalism’ may be seen as a form of state protectionism used to ‘safeguard’ domestic economic actors. François Bafuil highlights:

One of the most remarkable characteristics of the transition during the first decade of the post-communist period was the widespread combination of a neo-liberal wave of foreign origin – exemplified by the desire to privatize the industrial bastions of the various governments – with the desire to maintain the national industrial patrimony in order to protect and defend national sovereignty.<sup>59</sup>

Looking closer, and considering survey data based on a nationwide employment relations in the workplace conducted in Hungary in 2010, we may fine-tune our analysis: some segments (public utility companies, retail trade and banks) indeed depend on government contracts – and here we may speak of state protectionisms and direct political influence – but others (industry and private sector business services) rely on foreign direct investment and on strategic partnerships with key international investors.<sup>60</sup> András Tóth coined successfully the notion of ‘selective economic nationalism’ for the former.<sup>61</sup>

Widening now the perspective and considering the second period within the post-Wall era, the 2004-09 years, there are three paradoxes that are worth considering in as much as they prefigure the current era.

The first paradox is that, in spite of the overall successful integration of central, east and south-European countries, east-west divergences immediately re-emerged, targeting three core issues of the European project: first, foreign policy, essentially transatlantic relations (countries from the east supporting the USA); second, the social and economic model (new incoming members being accused of importing the Anglo-Saxon neoliberal model); and, third, the limits of the EU – in particular, the Neighbourhood Policy and the capacity for potential further enlargement (west countries opting for a ‘pause’).<sup>62</sup>

The second paradox is that the smooth integration of the new member states coincided with the Union’s constitutional debate crisis. The European Constitutional Treaty was formulated at the 2004 intergovernmental conference of member states. Its objectives were to:

- simplify the overlapping series of treaties which provide the current legal foundation for the EU
- reaffirm the values on which the EU is built

59 Bafuil (2017) *op. cit.* p. 36.

60 See Casba Makó & Miklós Illéssy (2017) ‘Segmented Capitalism in Hungary’ in Violaine Deltiel and Vassil Kirov (Eds.) *op. cit.* pp. 77-97.

61 See András Tóth (2015) ‘Coming to the End of the Via Dolorosa? The Rise of Selective Economic Nationalism in Hungary’ in Stefan Lehndorff (Ed.) *Divisive Integration. The Triumph of Failed Ideas in Europe* Brussels: ETUI, pp. 233-252.

62 See Jacques Rupnik (2006b) ‘La crise de l’Union européenne vue d’Europe centrale’ *Esprit* 7: 129-137.

- establish the fundamental rights and duties of its citizens
- clarify the relationship between member states and the Union
- improve decision-making processes in the EU.<sup>63</sup>

France and the Netherlands rejected the proposed text, respectively on 29 May and 1 June 2005, and they buried, by the same token, the Constitutional Treaty although some aspects were, nevertheless, ‘saved’ in the Treaty of Lisbon signed on 17 December 2007.

Integration and reform in the 2004-05 period were thus crisis-driven, but differently perceived in ‘east’ and ‘west’: the new incomers were highly surprised to see countries torpedoing their own political project and France’s self-marginalisation. This was clearly a setback for pro-Europeans, but a great relief for sovereigntists and eurosceptics such as Václav Klaus, President of the Czech Republic (2003-13), whose 2005 open editorial, published in the *Financial Times*, voices the typical arguments of today’s eurobashers. Criticising the European project as elite-driven, Klaus highlights the Union’s democratic deficit, its excessive bureaucratisation and centralisation, as well as the ‘undigested, unnatural and therefore artificial multiculturalism’. Klaus’s rhetoric puts emphasis on the ‘subsequent mass immigration which began to disrupt the historical coherence of European states’ and ends up in suggesting, as an alternative project to a ‘very fragile house of cards’, the creation of an Organisation of European States (OES).<sup>64</sup>

Rupnik comments that the rejection of the constitutional treaty:

Broke a taboo. Previously, mainstream political forces did not dare openly oppose the prospect of European integration, whereas now no-one is afraid of the consequences of questioning it at a fundamental level. After the rise in influence of intergovernmental thinking comes the triumphant return of the supporters of sovereignty.<sup>65</sup>

Beyond the failed agreement on the Constitution, citizens’ growing disenchantment surfaced, alongside profound disagreements. Precisely at the moment when the Union was about to achieve the idea of ‘ever-closer union’, the ‘no’ vote destroyed any prospect of political union, boosted eurosceptics and paved the way for the current political crisis. In particular, the Treaty’s rejection may also be viewed as a vote of protest at the EU’s admission in 2004 – without popular consultation – of the ten new incomers, expressing in addition public opinion that:

The 25-member union of today is an unworkable and unreasonable project.<sup>66</sup>

- 63 See Office for Official Publications of the European Communities (2005) *Treaty Establishing a Constitution for Europe* Luxembourg.
- 64 See Václav Klaus (2005) ‘Why Europe must reject centralisation’ *Financial Times* 29 August, p. 11. For an ‘update’ of his position, see: Václav Klaus and Jiří Weigl (2017) *Europe All Inclusive. A Brief Guide to Understanding the Current Migration Crisis* Prague: Institut Václava Klause.
- 65 Jacques Rupnik (2006a) ‘Anatomy of a crisis. The referendum and the dilemmas of the enlarged EU’ *Eurozine* 26 March; available at: [www.eurozine.com/anatomy-of-a-crisis-3](http://www.eurozine.com/anatomy-of-a-crisis-3) [last accessed 8 April 2018].
- 66 Laurent Cohen-Tanugi (2005) ‘The End of Europe?’ *Foreign Affairs* 84(6): 64.

Needless to say: the ‘western Balkans’ were about to become the next victims of the moratorium – requested by France – on any further enlargement. All in all, it turns out that the constitution itself was not really at stake.

To complete the picture, another viewpoint has to be considered. Countries more successful in democratic consolidation, such as Hungary and Poland, opted for successive constitutional amendments and not, as in Balkans countries, for new constitutions – certainly approved by the Council of Europe, but poorly enacted. The lesson coming from the ‘east’, which is worth considering in the context of the backlash against the European Constitution Treaty, is that constitutionalism may be more effective than drafting a new constitution.<sup>67</sup>

The third paradox deserves more attention as it anticipates the current state of affairs; it confronts us with a political landscape that would have been unthinkable prior to the EU accession of countries from central, east and south-eastern Europe. Rupnik provides a clear picture of the situation as it applied in 2006:

It is striking that most of the pro-European coalitions that dominated CEE politics over the last decade or so fell apart as soon as they had accomplished the ‘historic task’ of achieving EU membership. In their places have arisen harder or softer exponents of Euroscepticism.<sup>68</sup>

The Eurobarometer survey of December 2006 revealed that trust in democratic institutions was much weaker in eastern than in western Europe. Additionally, polls conducted by the Warsaw-based Public Opinion Research Centre (BSOS) disclosed that about one-half of respondents argued: ‘In some cases, a non-democratic regime may be preferable to a democratic one’.

By 2005-06, in several countries of the region, conservative populists had come to power, sometimes in coalition with extreme-nationalist parties – although this was by no means a phenomenon exclusive to the region. Former Polish presidents Lech Wałęsa and Aleksandar Kwaśniewski promptly denounced the threats to democracy. Likewise, Adam Michnik, Editor-in-Chief of Polish daily *Gazeta Wyborcza*:

The governing coalition [Michnik refers here to the Poland of the Kaczyński twins] employs a peculiar mix of the conservative rhetoric of George W. Bush and the political practice of Vladimir Putin. Attacks on independent news media, curtailment of civil society, centralization of power and exaggeration of external and internal dangers make the political styles of today’s leaders of Poland and Russia very similar. Meanwhile, in Polish foreign policy, relations with Russia and Germany are marked by a preoccupation with events of the Second World War, including the Auschwitz concentration camp and the Soviet massacre of Polish officers in the Katyn forest. These obsessions lead to the isolation of Poland and a reawakening of the demons of European history.

I am writing about Poland, but what I say applies as well to many countries of post-Yalta Europe. Everywhere, the phenomenon of populism has appeared. Slovakia is ruled by an eth-

67 I owe this argument to Rupnik (2006b) *op. cit.* pp. 128-129.

68 Jacques Rupnik (2007) ‘Is East-Central Europe Backsliding? From Democracy Fatigue to Populist Backlash’ *Journal of Democracy* 18 (4): 22.

nic populist coalition every bit as exotic as the Polish government, including a party that proposed expelling the Hungarian minority.<sup>69</sup>

In 2007, it was still possible to think that, once populists and nationalists were in power, they might evolve into more traditional political party formations. Nowadays, we may rather observe the inexorable pursuit of radicalisation and the inability of the EU to marginalise radical populists and to absorb the more moderate ones – both in ‘east’ as in ‘west’ Europe. In 2007, however, Rupnik could assert:

Europe is less vulnerable than other regions facing democratic regression. The new EU member states may share some symptoms of democratic malaise with Europe as a whole, but they are also protected by some specifically European limits to the rise of populism.<sup>70</sup>

Today, we may barely think the same. It is high time to ask why ‘populists’ are so popular and successful; and also what went wrong with the European project now under attack.

Contrary to the euphoria narrative, the end of the post-Wall era appears today as characterised by an immediate post-accession crisis which may well lead to a period of de-consolidation – issues to which we will need to return in a future contribution.

69 Adam Michnik (2007) ‘Waiting for Freedom, Messing It Up’ *The New York Times* 25 March.

70 Rupnik (2007) *op. cit.* p. 25.

