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CHANGES IN THE SOVIET UNION AND EASTERN EUROPE : SOURCES AND NATURE*

Introduction

The recent developments in the Soviet Union and Eastern Europe appear to be the most dramatic events in post-War period. It signals both the end of an era and the beginning of a new one. The end is marked by the collapse of the post-War world order and the beginning is dubbed as the 'Gorbachev era' when peoples power has ushered in great changes from communism in Eastern Europe. However, it may be recalled that till recently communism, both in theory and practice, persistently claimed to have correctly comprehended the laws of societal development and accordingly, ordained the ultimate destiny of mankind. In this context, the changes that are taking place today in the communist World certainly evoke great questions in the minds of observers and social scientists all over.

Retrospectively, Marxism originated in Europe during the latter half of the 19th century as a humane reaction against the baneful effects of the bourgeois mode of production. Before the Russian revolution of 1917, however, Marxism was split mainly into evolutionary and revolutionary trends, depending on the interpretation of developments in the late 19th and early 20th century. A defeated and war-ravaged Russia coupled with its utter lack of democratic tradition fell victim to Leninist Marxism. That success brought about by a group of middle-class revolutionaries threatened to take

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the 20th century by storm. But the revolutionary appeal of Marxism could not hold its ground in the advanced West. Instead, Leninism and Stalinism kept the idea on the move—into Eastern Europe and China in the late 1940s and into the developing world in the 1960s. However, it took not much time for a final halt in the communist triumph and its subsequent decline.

Today, after about three-quarter of a century of practice, the communists of the Gorbachev variety have finally come to realize that Marx's dictum that existing production relations become a fundamental obstacle to the development of productive forces, i. e., the prevailing economic system can stifle growth, applies not to the capitalist, but to the communist countries. Hence, the past reforms "within the system" have ultimately given way to a "transformation of the system". With a painful recognition of what it did for the past decades as mostly mistakes, the Soviet Communist Party, the once avant-garde of the proletariat, has finally relinquished their leading role in the society.

The changes that are sweeping the East European societies today look really epochal—a run away from politico-economic monism to pluralism. However, this transition is a totally new phenomenon, with no precedent in history. Nor does it have any conceptual aide like Smith, Ricardo, Marx or Engels. Therefore, the process carries along new hopes, fresh dangers and formidable challenges in the closing decade of the second millenium.

In this context, some pertinent questions can be raised : After decades of communist construction why did the regimes suddenly collapse ? What were the deformations and how did they happen ? What are the dynamics and nature of the changes in question ? What are their scope and likely directions ? These are some of the issues the present paper makes an attempt to look into. At the beginning, however, it seems worthwhile to have a look into the process of communism building in retrospect. This would help understand the current realities.

Communism-building in Retrospect : Unity and Diversity

The communist world that till recently consisted of more than a dozen countries was widely divergent in terms of historical background, governmental system, stages of development and cultural traditions. Prior to beginning of socialism, six countries were ruled under a monarchical system (Russia excepting March to 7 November 1917, Bulgaria, Romania, Albania, Mongolia and Yugoslavia); East Germany was under Nazi totalitarianism; Poland, Cuba and Hungary were ruled by authoritarian regimes; Korea and Vietnam were under foreign occupation and only Czechoslovakia had a democratic setup. Among these countries, GDR and Czechoslovakia were industrially advanced followed by Hungary, Russia and Poland and the remaining were primarily agrarian and even feudal societies. This background naturally had great impact in building a new society in these countries.

Further, the take-over of power by the regimes concerned, contrary to Marxist predictions, greatly differed from each other. The utter lack of political and participatory institutions, war devastations and defeat in WWI and mass discontent, combined with the primacy of will by a small but determined group of middle-class Marxist revolutionaries under Lenin's leadership led to the downfall of Tsarism and the subsequent Bolshevik revolution of 1917.

The countries of Eastern Europe, such as, Romania, Bulgaria and Hungary sided with Hitler in WWII; Czechoslovakia was divided by Hitler through the Munich agreement of 1938 and Poland was invaded by the Nazis. After defeat of the Nazis, Soviet forces continued occupation of these countries and manipulated the National Fronts, initially to form coalition governments. Then, by late 1940s through 'managed' elections, the communists finally usurped power under the banner of still-continuing National Fronts. Once in power, these regimes encountered problems and tasks that greatly differed from each other and classical Marxism provided scanty tools for their solution. But Stalinism was at its zenith in the

Soviet Union at the time when East European states were being re-established. Naturally, the Soviet model as the first of its kind had served as the initial blueprint for the countries concerned. However, the indigenous influences were also at work so that each country contained forces that modified Stalinism in their own ways. Therefore, one could observe elements of both unity and diversity in communism building.

First, although the role and tactics of the Communist/Workers/Socialist Parties, as they labeled themselves, varied in different countries, the outcome has been the same everywhere : installation of a single-party dictatorship. A common tactics of communist consolidation in Eastern Europe was the creation of a single united party by merging the communist and socialist parties and declaring a "Peoples Democracy" under a new constitution. Of course, some countries like Poland, GDR and Bulgaria continued a pretense of democracy by including token representation of non-communist parties in the government. But those non-communist parties were either tamed into insignificance or turned into communist auxiliaries.

However, it may be recalled that before taking over power, all these parties were a fringe factor in their national politics. For example, in February 1917, the membership of the Bolshevik Party was a mere 30,000¹ ; the Romanian Communist Party had only 1000 members (1944); the Bulgarian had 15,000 (1944); the Hungarian had only 10,000 (early 1945) and the Czechoslovak Communist Party, the only legal one in Eastern Europe before the war, had only 37,000 members². Once these parties gained power, either through insurrection, 'managed' elections or coup-de-etat, their membership increased by leaps and bounds. This surge was greatly motivated

1. Richard Pipes, *Survival is not Enough* (New York : Simon and Schuster, 1984), p. 23.
2. Adam Westoby, *Communism since World War 2* (New York : St. Martins Press, 1981), pp. 36-51.

by a prospect of sharing power and privileges under the newly-forming state setup. Also the fear of physical liquidations of the 'Whites' in Russia and 'Collaborators' in Eastern Europe served behind seeking shelter under the ruling party.

Second, during the initial power consolidation, almost all the regimes sought some sort of temporary alliance with the Right because of the objective conditions then obtaining in these countries. In early years of Soviet power under Lenin, several Mensheviks served as Commissars (Ministers), who were gradually eliminated. Even Stalin first sided with the Right like Bukharin, Tomsy and Rykov and during 1925-27 even allowed some electoral freedom to get more peasant cooperation in local Soviets. But non-communists were elected in great numbers, so the experiment never repeated³. During this time, Stalin effectively eliminated the Left through expelling Trotsky, Kamenev and Zinoviev. Next, he turned against the Right and eliminated them.

In like manner, the tactics of cajoling and coaxing of the right-wing politicians and bourgeoisie were used to consolidate communist power in Eastern Europe. In Romania, King Michel headed the 'Coalition' government upto 1947 and then was deposed. However, in cases where coalition governments were continuing for long, as in the case of Czechoslovakia, the Communist Party staged a coup in 1948. In this task of communist consolidation in Eastern Europe, the communists, who lived in exile in Moscow during the war, were favoured by Stalin than the 'national' communists. For example, Gomulka as Polish Party leader was removed in 1948 for 'nationalist and rightist deviations' and Beirut, a Moscow-back communist replaced him.

Third, an element characteristic of the communist consolidation of power was the great purges within the ruling parties themselves.

3. Cited in Mizanur Rahman Khan, *Changing Faces of Socialism*, BISS paper, No. 9, January 1989, from Robert Wesson, *The Aging of Communism* (New York : Praeger, 1980), p. 98.

Stalin's purges were merely a horror and by 1938 almost four-fifths of the Soviet Party central leadership was expelled and many of them were even physically liquidated. With Tito-Stalin break in 1948, the latter became more cautious about potential Titoists in Eastern Europe and great purges were initiated there. During 1948-53, it is estimated that around 2.5 million people—something over a quarter of the total membership were expelled from East European communist parties and between 125,000 to 250,000 were imprisoned⁴. However, Poland was the exception where no trials, expulsions and executions of native communist leaders took place.

Fourth, while communism-building has coincided with a sense of nationalism in Russia, in most of East Europe it had been anti-national. With Khrushchev's de-Stalinization programme and recognition of national roads to socialism, nationalist sentiments again erupted in Eastern Europe. Two parallel events of 1956—one in Poland and the other in Hungary, deserve particular mention. Nationalist Gomulka had to be gotten back to power following worker demonstrations against food shortages. He promised political and economic reforms within limits. But the events in Hungary went apparently beyond socialist proportions. When the nationalist forces under the leadership of Imre Nagy (who was expelled from the Party in November 1955 and again returned as Prime Minister on 24 October 1956) formed a new government with a majority of non-communists and declared its withdrawal from the Warsaw Pact, Soviet tanks moved in and quashed the national uprising. Thus, the Soviets approached the two events of Poland and Hungary with quite opposite strategies.

Fifth, in most of the cases the communist leaderships having gained power adopted a policy of nationalization of industries and collectivization of agriculture in order to control the commanding heights of the economy. While the policy of gradual collectivization was successful in other Soviet bloc countries, it is Poland and

. Adam Westoby, op. cit., p. .

Yugoslavia where no wholesale collectivization took place. Again, most of the collectivized farms were disintegrated in Poland following the worker unrest in 1956 and later, despite repeated attempts the party could not reverse the process. This was a social phenomenon without parallel in the Soviet bloc. Thus, individual peasant farming always dominated in Poland and Yugoslavia with about 80 percent of the cultivable lands belonging to the private sector.

Sixth, as for the economic organization of the countries concerned, the communist system could be divided into planned socialism and market socialism, although all of them politically adhered to communism. The economies of the USSR and most of the East European countries were run by the 5-7 year central planning system, where governments set priorities and also quota for each production unit. Usually, management bureaucracy remained accountable to party bureaucracy where often this two were fused in the same person. However, Yugoslavia was an exception where socialism-building was based on market forces through the self-management of enterprises by the workers. The Yugoslav system could be compared with the version of Guild Socialism of the early 20th century, but only in the economic context. Hungary also could be called a system of market socialism, where since the adoption of the 'New Economic Mechanism' in 1968, the operation of the economy has been significantly decentralized and put on market forces.

Seventh, in the mosaic mix of Catholicism, Orthodoxy and Protestantism the Church, although scarred, survived and remained in varying degrees, a persistent non-communist institutional interest in Eastern Europe. Religious freedom substantially varied from an outright ban on observance in Albania to the relative independence of the Churches in Poland. In some countries there were University-level religious institutions and theological faculties (Yugoslavia) and in one country a Catholic University (Poland). So powerful was the Catholic Church in Eastern Europe that

in the 1970s all the communist governments, except Albania, were obliged to seek accommodation with it. During 1980s the Churches became a rallying point for the supporters of human rights and democracy.

Finally, the Marxist-Leninist assumption of war and conflicts being the products of only capitalism was shattered with Soviet-Yugoslav rift, Sino-Soviet armed conflict and ideological rift, Sino-Vietnamese armed conflict etc. Even the communist countries nurtured territorial claims against each other, such as Romanian differences with the Soviet Union over Bessarabia, with Hungary over Transylvania, with Bulgaria over Dobrudja and Bulgarian claim over Yugoslav Macedonia. Also, great diversity and often conflicting postures could be observed in the foreign policy postures of the communist countries.

Underlying Reasons of the Change

Lenin, the first leader of Bolshevik Russia, began communism building in 1917 with two pious assumptions; (i) socialist economy would develop more rapidly than the bourgeois economy, beset with inherent contradictions, and (2) the proletarian revolution would soon spread in the industrial countries on the basis of Trotsky's 'Theory of Permanent Revolution'. Reality is the testimony that neither of them ultimately came true. On the contrary, the new Kremlin ideology chief Vadim Medvedev himself recognized that communism was undergoing a period of crisis around the world and that it needs a 'new concept' for further sustenance⁵. After decades of self-propagated achievements, why did the system suddenly collapse?

First, Lenin's 'war-communism' and its subsequent reversion to 'New Economic Policy' and state capitalism were short-lived. Then operating on Lenin's idea of controlling the commanding heights of the economy by the proletarian state, Stalin subsequently

⁵ *International Herald Tribune*, 06 October 1988.

introduced a 'command economy' based on administrative order. After WWII Stalinism was largely imposed there. The system and performance of the communist economies, therefore, depended on the viability of two factors: the Stalinist model of the socio-economic system and the model of growth. The first relates to the organization of the economy and the second to the nature and sources of growth.

The salients of the Stalinist system were ; (a) the concept of dictatorship of the proletariat was turned into a dictatorship of the party leadership, more precisely, of the leader. This was foreseen by the early left-wing social scientists like Michel Bakunin, Rosa Luxemburg and later, even by Trotsky; (b) administrative overcentralization of the socio-economic management of the society. The doctrinaire preoccupation of socializing the means of production brought all the sectors of society under state control. But centralization of management brought in its wake utter inefficiency, wastage and mismanagement. Sporadic attempts for decentralization have been undertaken, but they were not vigorously pursued because of fear of losing the party grip over the masses; (c) the other side of the state monopoly over the country's wealth, rewards and punishments was that it enabled the *nomenklatura*, the list of party-approved candidates to fill important party/government positions, to reward itself with a very comfortable life, unimaginable by the masses. In fact, this *nomenklatura*, otherwise called the *apparatchiks*, over time acquired the characteristics of a hereditary caste and held the whole country virtually into their ownership. However, perpetuation of a multi-layered self-seeking communist bureaucracy did not go unnoticed by the public, but they were powerless before an all-encompassing labyrinth of coercive state machinery. However, thanks to Gorbachev's policy of *glasnost* in the Soviet Union and its spread across Eastern Europe, the mass media and the people could raise their voice against the privileges of the ruling elites. It may be recalled that Boris Yeltsin's resounding victory in last year's election greatly owed to his

fierce attacks on party privileges and corruption; (d) related to the phenomenon of an all pervasive bureaucratism was its entailing deprivation at the other end, that is, the ordinary workers and peasants, the broad masses who had no incentives to work. In fact, the long years of communist rule have bred cynicism, lethargy and unscrupulousness among the broad masses. They somehow tried to substantiate their meager income through trading state properties in a black market or working in the 'second economy' i.e., legalized private markets; (e) finally, a systemic phenomenon inherent in the Stalinist model was its excessive dependence and hence, expenditure on defence. In fact, the communist economies particularly the Soviet's, were geared to unidimensional enhancement of the military might and the Polish economist Oskar Lange characterized the Stalinist economic system as a 'war economy'⁶. A leader like Gorbachev could read the limits of a declining Soviet economy to sustain such a huge military machine and hence took vigorous steps to cut down defense forces and expenditure.

Second, talking about the model of economic growth, the following salients could be discerned : (a) the communist countries followed an extensive strategy that relied on increasing additions of labour, capital and other resources. Usually, countries during their 'First Industrial Revolution' follow this model and relatively high growth rates are achieved⁷. During the initial years, relying on revolutionary zeal of the 'Stakhanovites' and sufficient resources, the Soviet bloc economies achieved commendable growth rates. However, this extensive growth had its limits and the countries concerned reached them by the early 1970s. They could draw no more on unlimited resources either from domestic or external sources. Although the leaders advocated the need for intensive growth, their 5-year plans continued to rely on extensive factors. The result was a sharply declining economy in almost

6. Seweryn Bialer, 'Gorbachev's Programme of Change : Sources, Significance, Prospects', *Political Science Quarterly*, Fall 1988, p. 405.

7. *Ibid*, p. 406.

all the communist countries during the late '70s and '80s⁸; (b) the communist model of economic growth put much more emphasis on capital-goods' producing heavy industries (Group A) at the neglect of consumer sector (Group B). This was done out of a near-mania of achieving self-reliance without the least regard to cost-effectiveness or the dynamics of demand and supply. The result was a chronic imbalance between the two sectors of industry, with the basic consumer goods, even in their shoddy forms, facing a permanent shortage in most of the communist countries. As Professor J.K. Galbraith of Harvard, an ardent advocate of the 'Convergence Theory' writes, "Socialism, as it matured, had a task that Marx and Lenin did not foresee, that was the production of consumer goods in all their modern diversity of styles, designs and supporting services. That was the model set by the non socialist world. With this a centralized planning and command system could not contend"⁹; (c) however, the weakest link in the communist economies was, perhaps, the agricultural sector, with exceptions like Bulgaria, Hungary and GDR. The situation in the Soviet Union was the most deplorable where yearly over \$ 10 billion worth of food imports have been made to meet up the shortage. On the other hand, while three-fourths of the farm land was in private hands in Poland, it could not become self-sufficient in food and food riots caused endemic political instability. The agriculture in Poland, because of its remaining largely private, experienced deliberate discrimination by the communist government.

Third, the continued sustenance, in varying degrees, of the Stalinist system and its poor performance led to a widening gap between the East and the West not only in physical terms, but more so in technological advancement. While by the mid-70s, the Western countries entered the era of the 'Third Industrial Revolution' characterized by super computers, miniaturized microchips,

8. Richard Pipes, *op. cit.*, p. 112.

9. Prof. J K Galbraith, "Why the Right is Wrong", *Guardian*, 4 February 1990, p. 10.

automation and robots, the advanced communist countries hardly could make use of the 'Second Industrial Revolution'¹⁰. Therefore, comparison with physical growth, long a matter of communist pride, has become simply irrelevant in an age of super technology. What really matters today is not the quantity, but efficiency and productivity, the product quality, its costs etc. In all these indicators, the communist system regressed further down compared with the West. Thanks to Gorbachev's 'open door policy', the ordinary Soviets could see for themselves the degree of gap in technology between theirs and those of the French and British during the rescue operations following Armenian earthquake. In fact, the industrial structure in the communist countries became too old and obsolete to respond to demands of advanced technology. As a result, their industrial exports were facing growing competition not only from the Western countries but even from the NICs of the Third World. Since the early 1980s Soviet Union reportedly began expressing dissatisfaction over the low quality of manufactured imports from her Comecon partners. On the other hand, the latter also began to manifest displeasure with the closed nature of intra-Comecon exchanges that allegedly restricted their autonomy and maneuverability. Therefore, in order to offset the technological decline, since the early 1970s the Soviet bloc countries initiated the procurement of advanced technology through Western credit and the Comecon members accumulated a total hard-currency debt of about \$125 billion. However, this could not generate sufficient impulse in their economies because of the systemic rigidity, ill-conceived priorities and projects.

Fourth, past attempts at reforms in Eastern Europe have had a paradoxical result. The countries that have attempted the most market-oriented reforms—Hungary, Poland and Yugoslavia—are the very ones now suffering the greatest economic instability including the worst foreign debt crises. The problem was that

10. Seweryn Bialer, *op. cit.*, p. 411.

while such reforms ended central planning significantly, they could not create real markets because of lack of effective competition, both from within and without. As a result, the model of market socialism reached the limits of the controlled freedom of the market and began clashing with the macro-economic parameters set by the government. Besides, since the early 1980s neither world trade nor Western credit market showed any healthy sign. Therefore, countries which pursued a trade-and-loan-dependent development strategy severely suffered during the last several years.

Fifth, the factors discussed above began to find their cumulative expression from the late '70s in the perceptible decline in international position of both the communist ideology and its edifice, the system itself. During the decade since the late 1960s, several strategic gains in the global arena by the Soviets were interpreted by its leadership as the beginning of final triumph of communism. However, it took not much time to see that beneath those superficial gains really lay the "bleeding wounds" incurred by a declining Soviet economy. Suddenly, Soviet Union under Gorbachev discovered itself overextended. It may be recalled that in the initial years after WW2 Soviet Union benefitted economically from East European countries through exacting war reparations and feeding Soviet industries with cheap raw materials. In later years East Europe gradually became a losing concern for Moscow¹¹. Its international commitments like maintenance of domestic stability in Eastern Europe, Indochina, Cuba, Afghanistan and elsewhere in exchange of their loyalty began to prove as mere drains on Soviet resources, with no promise of immediate returns. One estimate suggests that the cost of maintaining Soviet allies rose from between \$4.91 billion and \$7.88 billion in 1971 to between \$38.72 billion and \$47.68 billion in 1981. In absolute terms, this comprises about 3% of Soviet GNP. In comparison,

11. For details please see Sarah Terry (ed.), *Soviet Policy in Eastern Europe* (New Hame and London : Yale University Press, 1984).

with a much wider sphere of influence, the cost of maintaining US allies amounted to only 0.3% of its GNP¹². Ideologically also, the appeal towards communism began to decline the world over: The Western communists were quick to read the trend and devised 'Eurocommunism,' with acceptance of pluralism and independence from Moscow.

Sixth, added to all these negative phenomena is a change of generations. Currently, these are societies of younger population with better skills and higher education. This changed social landscape introduced new destabilizing forces in the forms of rising expectation and urge for upward mobility. Whereas the old generation always compared their present with the past and remained satisfied with modest possessions, the new generation compares their position domestically with higher strata and externally, with fellow citizens across the Western borders. The revolution in communication and audio-visual technology that facilitated the movement of both peoples and ideas as well as teleprojection of Western life only added fuel to the fire.

Finally, a superimposition of stagnant and conservative leadership on changing societies created a chasm between the ruler and the ruled. Experience shows that usually people rise not so much in desperation, as more when they see a chance of succeeding and that chance was provided by Gorbachev, *The Liberator*. Once it became clear that Gorbachev really meant his promise of nonintervention, the opposition in Eastern Europe, although disorganized, rose up and swept away the old guards as well as the old beliefs. Vaclav Havel, the once-dissident Czech playwright who in quick succession moved from prison to presidency noted the achievements of 1989 by paraphrasing the 17th century theologian Comenius "Your government, my people, has returned to you"¹³.

12. Cited in AKM Abdus Sabur, *Post-Brezhnev Soviet Policy Towards the Third World*, BISS Paper, No. 8, July 1988 p. 26.

13. *Newsweek*, 15 January 1990, p. 16.

Nature and Directions of the Change

Theoretically, the system of communism was never conceived whole and, therefore, took shape gradually in response to conditions and events in the countries concerned. Naturally, during the last decades, communist construction in those countries had occasionally undergone varied reforms and changes which were mainly patchwork and short-lived. The greatest of Soviet reforms was Lenin's New Economic Policy (NEP) adopted in 1921 in which a policy of economic liberalization was initiated, both in agriculture and industry. After Lenin's death in 1924, in order to build 'Socialism in One Country' as against waging Trotsky's 'Permanent Revolution' Stalin devised a totalitarian system in which a policy of rapid industrialization and forced collectivization was pursued. Khrushchev's de-Stalinization programme was accompanied externally by a replacement of xenophobic 'capitalist encirclement' with 'peaceful coexistence' and internally, by a policy of liberalization. However, those reforms were subsequently halted after the 'Prague Spring' of 1968 in which economic devolution under Dubcek's 'Socialism with a Human Face' was viewed as erosive of political control.

In Eastern Europe, previous attempts at reforming the Stalinist system either were not consistently pursued or they were met by Soviet tanks. With Tito-Stalin break in 1948, Yugoslavia went back to Marx's notion of a society of "free associations of producers" in which 'self-management' of enterprises by workers became the essence of their socialism. Since the worker uprisings of 1956 in Poland, the successive governments initiated a series of liberalization measures. However, the government of Imre Nagy of Hungary or the Dubcek regime of Czechoslovakia represented renegade communist regimes whose highly reformist policies left in doubt the continuity of Soviet-style socialism there.

While the previous reforms could be termed as mere tinkering with the system, the present ones are aimed at a radical transformation. The rather dramatic and unimaginable developments are

taking place as something like, to use a French expression, *fuite en avant* (running ahead of consequences). As one analyst observes, "Epochs, these days, are lasting only moments, epics are being squeezed into precis . . . in the twinkling of human eyes, the world changes"¹⁴. Naturally, it is quite nye impossible to keep track of such rapid developments. Still, a closer scrutiny may reveal that the nature and likely directions of these changes in the Soviet Union and Eastern Europe will not be identical.

First, as in communist construction, the concerned regimes also have manifested both unity and diversity in ways of their deconstruction. They are being overthrown in two ways—violently as in Romania, and constitutionally, as in other East European countries ; while the Soviet Union is experiencing them both. Romania, in fact, witnessed a classic, old-fashioned revolution, which much of Europe was unfamiliar with. First there was the peoples uprising followed by army mutiny and seizure of key buildings and installations. It is interesting to note that such a bloody revolution took place in a country which paradoxically began communism building with the least number of communists in Eastern Europe and ended up while the membership in Romanian Communist Party was the highest in the region in terms of percentage of the population¹⁵. The new Romanian leadership went to the extreme of an outright ban on the old Communist Party.

On the other hand, East Germany, Czechoslovakia, Bulgaria and the latest the Soviet Union have joined Hungary and Poland in abolishing the communist parties' constitutional monopoly on power and introducing a multi-party system. However, violent confrontations either between the nationalists and the security forces

14. *Time*, 26 February 1990, p. 8.

15. About 16% of the Romanian population were members of the Communist Party ; in GDR and Czechoslovakia membership of the ruling Parties comprised 14% and 11% respectively of their population, while in USSR it was close to 7%; please see *Problems of Communism*, Jan-Feb 1987, p. 73.

or between different ethnic groups in the Soviet Union have led to several Tiananmens, both big and small.

Second, the developments in the Soviet Union and Eastern Europe have vindicated the ultimate triumph of peoples power in unraveling even the closed communist system. The once dissident leaders like Sakharov, Walesa, Havel and others have conjured up what might be called the new nemesis of communism : Power of the Powerless¹⁶. The dissident intellectuals like Andrei Sakharov, Aleksander Solzhenitsyn, Milan Kundera, Virgil Gheorghiu Vaclav Havel, Adam Mitchnik, George Konrad and others have woven the ideological basis for a people's rebellion, as had Voltaire Rousseau and Diderot in the 18th century before the French Revolution.

Third, the initiators of change in the countries concerned differ from each other. In countries like the Soviet Union and Hungary, reform movements were initiated from 'above' that gradually percolated 'below', while other countries have been experiencing the reverse way. Those countries particularly East Germany and Romania appeared to be controlled not by the newly-formed governments, but by the peoples in the streets. However, the Czechoslovak revolt can be characterized to be more methodical and less reactive in the sense that there was no purge and retribution, than the spontaneous actions in East Germany and Romania,

Fourth, during the transition period Eastern Europe seems to have found a form of governance in the "grand national coalitions" modelled on the government in Warsaw. In fact, Poland's Solidarity set the pattern and loose non-communist political groupings have been formed in Hungary (Democratic Forum), GDR (New Forum), Czechoslovakia (Civic Forum), Romania (Front of National Salvation) and Bulgaria (Union of Democratic Forces). These

16. Vaclav Havel wrote an essay "The Power of the Powerless" back in 1979 in which he argued that individual acts of defiance would ultimately undermine authoritarianism, see *Newsweek*, 15 January 1990, p. 40.

coalitions of opposition forces are likely to participate in the coming parliamentary elections either in unison or in sub-groups. In the Soviet Union no alternative political force to the Communist Party at the national level is yet in the offing. It may be recalled that such national coalitions were formed both in Eastern and Western Europe after the WWII. While such coalitions in Eastern Europe were manoeuvred to institute one-party rule, post-war ruling coalitions in Western Europe eventually returned to party-ruled governments under pluralist democracy.

Fifth, the newly-formed governments as well as the opposition in Eastern Europe still remain hostage to coercive instruments of state power, since the guns and tanks are controlled by the communists or ex-communists. In Poland, the ministries of Defence and Interior still remain under the communist-turned Social Democrats. In Czechoslovakia a joint control of security services has been devised between members of the Communist Party and the Civic Forum. In Hungary a scandal dubbed as 'Dunagate' has recently been leaked in which telephones of the opposition members were bugged by members of the ruling Communist-turned Socialist Party. As a result, the Minister of Interior of the ruling party had to resign¹⁷. In Romania, the Vice President Mr. Mazilu resigned in protest against the use of 'Stalinist methods' by the ruling National Salvation Front. Recently an attempt by the Modrow government to recreate *Stasi*, the GDR's defunct secret service, in a revamped form has been postponed in the face of mass protest until free elections are held. This bears testimony to the fact that old habits die hard.

Sixth, there appears to be no historic basis for the Soviet Union or East Germany as *States* without the communist system. If they shed off communism and become democratic, they lose the rationale for existence in the form they are now. But democracy is exactly

17. *Time*, 19 February 1990.

what the peoples of the region fought for and what those governments have promised. Therefore, the impact of the upcoming free elections would be different in the countries concerned. In Poland, Hungary, Czechoslovakia, Romania or Bulgaria, free elections arguably, among others, will strengthen the state ; in the Soviet Union and GDR they are likely to undermine it. It may be recalled that the communist GDR was established in the Occupation Zone of the Soviet Union in 1949 and after 1917 largely the territories of the Russian empire have been managed finally to form the vast conglomerate of the Soviet Union. Now, with abolishing Article 6 of the Soviet Constitution, the ethnicity -and-nationality based political parties are likely to proliferate and win over the multi-party elections. Just days before, already Sajudis, the nationalist front in Lithuania won a landslide victory in the parliamentary elections over local Communist Party that recently severed ties with the Centre. Seeking secession from Moscow was on top of the Sajudis agenda. Most of the Republican National Fronts after winning the elections are expected certainly to demand independence from Moscow. In like manner, observers predict that genuinely free elections in the GDR would bring to power parties similar to those in the FRG. In that case, the winners would certainly seek unification without delay, the process of which has already been set in motion by the two incumbent governments.

Seventh, the current pace of change in the Soviet Union and Eastern Europe shows that the leader of perestroika has been overtaken by his followers in Eastern Europe, where initially Gorbachev's name has been chanted to taunt the party leaders for lack of reform. This has relegated the Soviet Union to its traditional rearguard position in reform movements of the past in the region. Further, while the programme of perestroika still pushes the Soviet Union in opposite directions, the East European peoples seem know what kind of change they want. In fact, since Khrushchev's de-Stalinization programme, East European countries went ahead

of the Soviet Union, both economically and politically. The managerial reforms now being introduced in the Soviet Union were experimented in Eastern Europe in the 1970s. In terms of glasnost and tolerance, for example, Poland or Czechoslovakia was always ahead of the Soviet Union.

Eighth, for the reform movement to reach its logical end, two conditions have to be first met: relinquishing the leading role of the communist party and the establishment of a legitimate government. The first condition has already been met in the countries concerned and Poland partially met also the second one, with others following suit beginning from the current month.

However, at the politics and political management level, there are big obstacles represented by the past traditions as well as the current trends in the region. Except Czechoslovakia, none of the East European states had a democratic tradition. Soviet imposition of communist rule in Eastern Europe, in fact, was prefigured by similar experiments in establishing liberal democracy by the Versaille peace makers during the inter-war period. But the democratic political culture proved ill-suited to the conditions then obtaining in those newly-freed countries and the leaderships gradually turned autocratic or to monarchy.

Experience shows that in organizing a revolution to overthrow an entrenched regime, all the regime's enemies join hands together. Then with the process of power sharing in the newly-forming setup the revolutionary allies fall from, even competing and slaughtering, one another. Experiences of the French revolution are cases in point. Currently, there are already signs of schisms and fragmentation both within the governing coalitions as well as the opposition ranks. The coalitions combine reformist communists and anti-Marxists, churchmen and frustrated army officers, Reaganomists and social democrats, liberals and the like. Already there is a mushroom growth of political parties and groups across Eastern Europe and the Soviet Union and they are contending for power in

the coming elections. One source suggests that there are currently 51-53 political parties in Hungary which are campaigning either individually or in sub-groups for elections to be held later this month¹⁸. But they are yet to grasp the art of campaigning and even US consultants are flocking to Eastern Europe to aid the opposition parties. It may be recalled that previous systemic transitions were also full of conflicts and struggles between the Thermidors and the Bonapartists, between Leninists and Stalinists, between Trotskysts and Bukharinites.

In such a scenario, it is hard to predict exactly the future political profile of the various countries undergoing transformation, since no two countries are alike. In the region, Poland was most exposed to Western information and ideas since 1956 and its democracy appears to be anchoring on a stable footing, where power is in the hands of the Solidarity and the Catholic Church; analysts predict a shared victory between the Christian Democratic Union and the Social Democratic party in the GDR, where also the possibility of an ultra-nationalist revival cannot be ruled out; elections in Hungary are likely to result in a Centre-Left/Right coalition; in Romania although the National Salvation Front initially promised to serve merely as an interim care-taker government, it is now planning to field candidates in the general elections. Some recent actions of the Front activists, together with this change of mind and Illiescu's promise to establish 'original democracy' tend to confirm the people's apprehension about the Front's being merely some old wine in a new bottle. The sudden resignation of the Vice President of the Front Government added fuel to such apprehensions. That is why the nascent opposition parties are urging for some more time to hold elections so that they can organize themselves in a better way. In the Soviet Union, although a myriad of de facto political parties already existed before abolishing the leading role of the CPSU, still there is no viable alternative to CPSU at the centre and the likelihood of such a force appears to be bleak in the immediate future.

18. *Newsweek*, 5 February 1990, p. 37.

Besides, because of utter lack of democratic traditions and a home-grown Communist Party, unlike in Eastern Europe where communist parties were mostly Moscow-rooted, a democratized CPSU is likely to yield a considerable strength for some time to come.

Ninth, in the economic front, there is still debate about the goals of the reform movements in the countries concerned whether to go for a Swedish-style Social Democracy or a Thatcherite Liberalism. However, such a debate is not that important, since the basic foundations in both models are the same. Therefore, the debate should centre around the means of transforming a centrally planned economy into a market one. However, it is now a common wisdom that effective treatment of the ailing economies will make life even worse, at least in the short-term. Such bitter austerity measures—like drastic desubsidization of food and basic needs, decontrolling of prices and a monetarist policy to control wage and inflation, closing down of loss-making factories with provision of some unemployment etc. would be vitally needed. Both the governments in Warsaw and Budapest keep on expressing concern that despite sufficient Western assistance, the nations will not endure the necessary belt tightening and the peoples may again take to the streets.

There are some other obstacles in putting the centralized economies on a speedy track of efficiency and market forces, such as: (a) the problems accompanying the privatisation of huge state enterprises. While Margaret Thatcher, the world's leading privatiser, has presided over the transfer of only a handful of state enterprises during the last decade, communist economies have thousands of such enterprises as candidates for privatisation. Moreover, the ownership of state enterprises in Eastern Europe is already politically contested. Workers claim their inherent right to own the firms, while many managers are reported to have assumed the right to trade, lease, merge or even sell their firm's assets at their own¹⁹. Already the Polish Prime Minister denounced moves by bureaucrats

19. *The Economist*, 13 January 1990, p. 19-22.

to buy state companies at nominal prices²⁰. Therefore, devising an appropriate and acceptable legal and commercial framework for effective privatisation would be a challenge for the newly-forming governments; (b) the system of *Nomenklatura* presents an enormous obstacle. Even with the levers of power under coalition governments, the old-fashioned bureaucracy still remains largely untouched. Solidarity reckoned that the former ruling party directly or indirectly filled 0.9 of the 1.2 million jobs that entailed some degree of power²¹. It may be recalled that failure to break the bureaucrats' grip ruined the reforms of the 1970s in Eastern Europe. Therefore, early holding of local level elections and speedy privatisation may obviate to certain extent bureaucracy's stranglehold on power; (c) there is the acute problem of obsolescence in the industry, that is, outmoded equipments, lack of physical infrastructure, poor management etc. However, there is the well-educated labour force and a fairly extensive industrial base. Even then, it will take at least some years to put the whole industry on the rail of modern technology; (d) there is the problem of ideology where for decades peoples have been taught about the virtues of egalitarianism and vices of profiteering. But the privatisation process is likely to bring in growing class differentiations and the resulting social tensions. This is already manifest particularly in the Soviet Union. Therefore, the great majority of the people in the region would, presumably, like to have a kind of social democracy, that ensures a fine blend of private ownership, government planning and social security. Although most of the social infrastructure of a Swedish model already exists in the countries concerned, implementation of a system of progressive taxation over private and corporate income would be definitely counter-productive at this nascent stage of the growth of market economy.

However, the problems discussed above will have differing effect on the economies in question. East Germany and Czechoslovakia

20. *Guardian*, 11 February 1990.

21. *The Economist*, 24 September 1989, p. 57.

seem to be best placed for economic transition. With a strong and diversified industrial base and with massive infusion of West German aid, the GDR economy is likely to obviate the problems of industrial obsolescence and foreign debt in a shorter timeframe. Czechoslovakia too with a diversified industry and a very small foreign debt appears to be a better candidate for modernization. Despite Western assistance and Poland's radical privatisation programme unleashed on New Year's Day, its and Hungary's economy with the biggest foreign debts are tougher cases for a rapid transition. The economies of Romania and Bulgaria present the most formidable problems in view of the fact that those economies are not well diversified and they were traditional holdouts on past reform movements. In Romania, virtual absence of any foreign debt should present as an advantage, compared to Poland's or Hungary's. But Western bankers may not feel encouraged to invest in an economy where the immediate prospect of creating a solid base appears bleak. Besides, the Romanian and Bulgarian economies would need more time to introduce privatisation policy in an unequivocal manner.

In a special place is situated the Soviet Union where Gorbachev still hopes to redeem socialism with the use of surrogates like 'cooperatives' and 'socialist market' as opposed to 'private ownership' and 'free market'. The enterprise reforms being implemented now in the Soviet Union were experimented in Eastern Europe already in the 1970s. Besides, with the price reforms shelved for future and the individual right to hire labour still prohibited, the Soviets appear to be ambivalent and lacking focus yet about their economic programme. The loopholes in the recently-approved new property law or in the land rights are likely to reinforce bureaucratic grip rather than loosening it. The result today is an utterly chaotic state of the Soviet economy. The experience of reforming the Soviet economy is compounded by the fact that historically private property culture had reached Russia later, compared to other parts of the region²². Accustomed to state paternalism for centuries,

22. Richard Pipes, *op. cit.*, p. 20-21.

particularly the Russians seem less willing to take economic risks. Even in the 19th century Russian intellectuals and writers like Saltikov Shchedrin fought against the passivity of the masses. Currently, the most celebrated Soviet poet Yevtushenko, together with Gorbachev himself, is leading the campaign to exhort the masses to come out of traditional passivity and turn to greater activism. It may be noted that unlike the traditionally apathetic and egalitarian-minded Russians, the non-Slavic nationalities in the Baltic, the Caucasus and Central Asia have shown greater interest in private agriculture and business. The fear of enriching the ethnic peoples at the expense of the Russians might have served as a brake on promoting private sector in the USSR²³.

Tenth, it is self-evident that with Gorbachev in leadership the Soviet Union became a symbol of hope in Eastern Europe and Gorbachev's programme of domestic renewal certainly gave the East Europeans both the cover and the stimulus to make their own way. Before Gorbachev, the taboos for East Europeans were clear: no challenge to the communist monopoly on power and no question of leaving the Warsaw Pact. The first taboo has constitutionally vanished and as far as the second one is concerned, there is nothing much left of the alliance unity and coherence.

As for the Soviet bloc's economic organization Comecon is concerned, it has already experienced open ruptures during the recent days. In January this year while meeting in Sofia, the Czech Finance Minister said that Comecon has "no reason" to exist and threatened to quit it. But this proved too hard to swallow by other cautious governments whose economies are still too ill at ease in the global economic arena. Currently, at least 60% of the members' total foreign trade are intra-Comecon which are regulated by agreements, rather than market forces. It may be mentioned here that two-thirds of Soviet exports to Comecon members consists of raw materials and fuels which can easily be sold on world markets. On the other hand,

23. Mizanur Rahman Khan, *op. cit.*, p. 87.

the East European partners send two-thirds of their exports to the Soviet Union, that consists of low-quality machinery and rolling stocks. According to confidential estimates, Poland and Hungary each would lose approximately \$1 billion per annum once they decide to trade for convertible currencies only²⁴. The loss would naturally be higher if Comecon is totally disbanded. Still the countries like Czechoslovakia, Poland and Hungary want to liberalize the trading practices, while other members prefer a go-slow approach. The Soviet Prime Minister appealed against a "collective suicide"²⁵. However, in a more liberalized Comecon, there is all doubt whether the enterprises, with greater freedom than their respective governments, would be willing to cooperate with their Comecon cousins. Instead, they are likely to turn to the West for earning international currency, however difficult that might appear.

It may be mentioned that for some time back some influential circles close to Gorbachev had been advocating a policy of 'Reverse Finlandization' for Eastern Europe—through which the relationship of an increasingly losing concern for Moscow can ultimately be replaced by a mutually rewarding one—that would also take care of Soviet security interests in the region²⁶. However, there are some basic differences with Finland.

In any case, for the moment Gorbachev may be calculating that his allies cannot risk a sudden break with Moscow in view of the Soviet's having much economic leverage and also the potential of playing as a Moscow card by the East Europeans against a likely German and Western domination. That apprehension compounded by unhappy historical memories is likely to put a brake on the East's run away from Moscow and towards the West.

24. Andrej Wroblewski, *Dialogue*, 9 February 1990, p. 6.

25. *Ibid.*

26. Michael Dobs, "Finlandization in Reverse in Eastern Europe" *The Guardian*, 27 August 1989. Also see Dimitri Simes, "In Finland Model of What Eastern Europe could be", *International Herald Tribune*, 22-23 October 1988.

Finally, with the Moscow-led Warsaw Pact and Comecon turning into virtual non-entities, the age-old ethnic and national antagonisms are likely to flare-up—that very much portend the echoes of Sarajevo. The problems of antagonisms between the Slavic and non-Slavic nationalities within the Soviet Union apart, the disintegration of the Soviet bloc with the likely spread of an epidemic of irredentism threatens to make again what the Balkans were in 1914—“the tinderbox of Europe”²⁷. As against these trends, the governments of Eastern Europe, such as, Romania and Bulgaria are pledging to assuage the ethnic deprivations. However, it would be very difficult to rejig a balance between multiple nationalities in multi-national states without diminishing the clout of the dominant ethnic groups.

In fact, in multi-national communist states, ideology served as the ultimate glue that held together otherwise distinct parts. It may be pointed out that in ethnically homogenous countries like Hungary and Poland, the communist parties relinquished their leading role much earlier than those in the multinational communist states. Now, with the inevitable proliferation of ethnic parties, the resultant centrifugal trends are likely to further compound national antagonisms across the region.

As a matter of fact, reality is the glaring testimony that Marx would have been closer to the truth had he described nationalism, not class, as the force that moves history. In retrospect, nationalism had ultimately taken over from republicanism as the French revolution’s main motive force. The festering ideological debate among different factions of Marxists reached its peak during WWI over disagreements about the stance Marxists should take regarding the War and this divided them irreconcilably into Socialists and Communists, each even creating their own international federation of parties. Contrary to Marxism’s central postulate of proletarian internationalism, it was found that most of the then European socialist parties extended support to their respective governments in

27. *Newsweek*, 4 December 1990, p. 27.

war efforts. Thus, nationalism as a force proved to be stronger than proletarian class consciousness, that precipitated the death of the Second International and the birth of the Comintern and Socialist International. The closest example is the results of the recently-held elections in the Soviet Union. Therefore, if the past is a guide to the future, there is a collective need to find out ways and means of containing the centrifugal forces of multiple nationalisms. Democratic governments around built on respect for minority rights are the partial, not the whole answer.

In Lieu of a Conclusion

From the foregoing discussion it follows that the ruling elites of the communist system, like any other regimes of the past, had been facing the crucial choice between holding on to all power and privilege at the risk of losing all of it, or surrendering some in the hope of holding on to the rest. History knows both outcomes. The recent developments and changes unleashed in Eastern Europe, both from above and below, bear testimony to both the choices, the nature and consequence of which have been discussed in the present paper. The essence of all this spate of changes is broadly the introduction of social democracy and market economy. A section of political philosophers is already reaching conclusion of a Hegelian end of history, that is, the triumph of a single vision. However, the pace and speed with which they are moving rules out any authentic checking of the likely directions. This certainly calls for caution in reaching a final judgement.

In view of the fact that economic factors and considerations had always loomed large in political developments in Eastern Europe and the current transition had also been largely precipitated by the economic failures of communism, absence of any visible improvement in the economy for long coupled with the phenomenon of rising expectations, may shatter the still fragile public confidence in pluralist democracy. Although the general conviction seems to be that

the East European countries concerned will move sharply to the right, since the entire left has been discredited, the possibility of political pluralism taking to a degenerated form, such as authoritarianism, cannot be ruled out. It is to be kept in mind that either the communists or ex-communists still hold on to all or partial power in all the countries concerned. Their habits and convictions for long may not die so easily.

In all these countries there are both 'iron-fisters' and 'counter-fisters' who argue in opposing manner whether market forces and liberal democracy can go together during a systemic transformation. However, the iron-fister approach does not bring ultimate solution is exemplified by Poland of 1981. It may be recalled that in Western Europe market economy antedated evolution of liberal democracy. Therefore, free market orientation should not be equated with a desire for multi-party democracy, as also experiences in countries of the Third World reveal. However, countries of Eastern Europe seem to have a better chance of building democratic institutions and a market economy than the Soviet Union which lags in this regard far behind its allies in Eastern Europe. As popular frustration rises, particularly among the Russians because of absence of any tangible improvement in the economy and also the trend of running of non-Slavic nationalities away from Moscow, recourse to some form of autocratic rule either under Gorbachev or a successor cannot be ruled out. Even in Eastern Europe, although the danger of a communist restoration seems more and more remote, the sudden appearance of a Slavic Napoleon cannot also be ruled out. The acid test will begin just with ending the election euphoria and the establishment of democratically-elected governments across the region.