Twenty Years of Postcommunism

THE OTHER TRANSITION

Alina Mungiu-Pippidi

Alina Mungiu-Pippidi *is professor of democracy studies at the Hertie School of Governance in Berlin and president of the Romanian Academic Society, a public-policy institute in Bucharest. She is the coauthor of "Moldova's 'Twitter Revolution,'" which appeared in the July 2009 issue of the* Journal of Democracy.

As I crossed into what was then the Soviet Socialist Republic (SSR) of Ukraine from the SSR of Moldova, just one day after the August 1991 coup attempt in Moscow, I saw an old man by the road having an argument with a militiaman. We were near a small starving village, and the old man had tried to set up a folding table to sell some seeds that he was collecting from sunflowers that had fallen to the ground. The militiaman objected on the grounds that the sunflowers were public, not private property; that the old *kolkholznik* was engaging in an unlicensed commercial activity; and that one of the militiaman's superiors might drive past and discover this act of sabotage against the command economy. The old man promised to cut him a share, but the matter was by no means settled by the time I drove away.

When I returned about a week later, Ukraine was independent, the folding table was in the middle of the road, and the militiaman was proudly sitting next to it, acting as a self-appointed border guard. He was still trying to figure out at that point how much passage tax he could extort from drivers crossing into Ukraine. We were the first, so we donated five dollars to the newly independent state. The old man was nearby. He had spread his coat on the ground and piled on it corn and sunflowers gathered from the field behind. He was selling these in full freedom—no license was needed and no tax had to be paid. The two men looked to me to be strangely reconciled to the new capitalist order. Only one element was missing (particularly since it had been so prominent the week before)—the state. It had all but vanished.

The postcommunist transformation has generally been seen as a dual process: 1) the shift from a command economy to a market economy,

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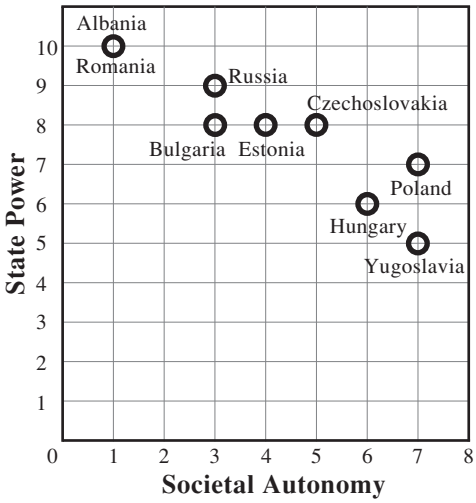
and 2) the transition from authoritarianism or totalitarianism to democracy. Some countries have fared well in both the political and economic arenas, while others have had more success in one or the other of the two domains. Behind these two formal transformations, however, a shadowy informal struggle was fought, with a determinative effect on their outcome: the battle for social control. The recent history of Eastern Europe can best be understood as a transition to a new social contract between the postcommunist state that emerged from its communist predecessor and the postcommunist citizen who evolved from the communist subject. The instant dissolution of the old communist contract was striking that day at the Ukrainian border, and eighteen years later a new social contract has yet to fully replace it in Ukraine and many other places.

Scholars of the state have largely ignored postcommunism.[1] The postcommunist state is conspicuously missing from the literature on the state and society, which is hard to explain.[2] Postcommunism offers an alternative set of cases to Joel Migdal's "weak state–strong society" model, as communism was defined by a strong state and weak society.[3] But a strong state based on coercion alone is not sustainable, as it is not based on a social contract. Repression is costly, and once the global order of communism broke down, communist regimes, lacking legitimacy, vanished. As Ghita Ionescu observed as early as the 1960s, the people would have torn down the Berlin Wall with their bare hands had it not been defended by Soviet tanks.[4] There was a permanent absence of popular consent to the communist regimes in Eastern Europe. What varied over time and among countries was the state's capacity to sustain surveillance and repression—the extent to which the state managed to control society.

It is the relationship between state and society under communism that best explains the divergent paths taken by the former communist countries after 1989. The communist state's strength and the extent to which it invaded the private lives of its citizens varied greatly across cases; so did the autonomy of the society (see Figure on p. 122). This was no simple linear relationship: There were countries such as Poland, where both state and society were reasonably strong and in competition with each other; others where the state was weaker and had to accommodate a strong society, as in Yugoslavia; still others where the state was much stronger but the society remained in competition with it, as in the Baltic states. Finally, in countries such as Albania, Romania, and Russia, the state was all-powerful, intervening in the most private aspects of people's lives. Over time such pervasive social engineering reduced society to absolute dependence.

The Figure places nine postcommunist countries along two axes representing the state's power over society and the society's level of autonomy under communism. Where the countries lie largely explains the type of transition that they would experience. In countries where levels

Figure—The State/Society Relationship Under Communism[5]



of state power and individual autonomy were fairly close, the state and society managed to arrive at a new social contract relatively soon after 1989. In those countries where these levels diverged dramatically, the transitions resulted in regimes that were high on informality and low on democracy. There are, of course, in-between cases such as Romania and Bulgaria, where for years the state and society had fought over control.

Nationalism had been a source of societal autonomy in all the former Eastern bloc countries and helped to strengthen the hand of society over the state. The ugly face of nationalism was revealed, however, in the former Yugoslavia, whose component ethnic communities pulled the state apart at great cost. Without a consensus over identity, the formation of a new social contract could not be achieved, and thus all three postcommunist federations—the USSR, Yugoslavia, and Czechoslovakia—collapsed. Even when the country was dominated by a single national community, agreeing on the fundamentals of a new regime was still challenging.

For a new social contract to emerge—one based not on coercion, but on the good will of both state and society—agreement had to be reached relatively quickly, so as to preserve some social order. Where the transitions remained disputed, the state lost its capacity to enforce the rule of law, even if it managed to hang on to power. Furthermore, the devastating economic contraction that accompanied the transitions swept away the state's resources and reduced its capacity to offer any welfare; so the state lost whatever residual legitimacy it possessed, and society plunged into deep informality. This in part explains the popularity of Vladimir Putin. Before he came to power, transition-era Russia seemed stuck in this disastrous predicament. Putin managed, at least to some extent, to redirect its course. At the other end of the spectrum were some former Soviet republics (such as the Baltic states), where new elites took command of the government, and some Central European countries, where the communist regimes had been more humane and managed to sketch out some sort of social contract even before 1989. In these countries, the essentials of social order endured and gradually improved. No constituency was alienated, and links remained between state and society.

Given its aftermath, particularly in Russia, it is questionable whether communism, despite its aims of vast modernization, was a modern regime at all. Despite its ambition to accelerate modernization, its plans were subverted by the essential contradiction embedded in the communist power structure, which allowed the *nomenklatura* to enjoy political and economic monopolies. Under communism, the traditional forms of social stratification were eradicated, and the possession of political power became the main determinant of social status. Social and economic equality existed only outside the confines of these essential power holders and their patronage networks, which survived into postcommunism.

Where societies had been weak, these networks managed to capture full social control during the transition, using their influence to appropriate former state assets. Such cases resembled those of the postcolonial world—countries characterized by inequality of wealth derived from inequality of power, by informal economies, by state capture by clans, and by networks of privilege. But in Eastern Europe, the failure of modernization cannot be blamed on a lack of social control, which communist regimes exercised in full. Political order requires at least some consent and support from the ruled; therefore, where the gap had been widest between the level of state power and the level of social autonomy during communism, the most difficult transitions ensued, as there was no ground on which to build a social contract. In these countries, the new postcommunist state failed to protect people and property, and the people reciprocated by not recognizing the state's authority and not obeying its rules.

Albania is perhaps the most dramatic example. Its troubled transition cannot be explained by the usual political and economic reasons that so-called transition experts often cite. Rather, its greatest challenge was to mend the severed links between state and society—to agree on a new social contract—in a country where the communist state had repressed and alienated society to the greatest possible extent. In fact, both Albania and Moldova have held repeated rounds of free and reasonably fair elections and implemented all the IMF's reform prescriptions, only to see their transitions become permanently "defective." For they still have not addressed the fundamental problem of repairing the relationship between the state and society, the only basis on which their transitions can succeed.

At the other extreme, where society had been stronger and the state weaker, the influence of patronage networks remained limited, and competitive market institutions managed to take hold. Particularism and a culture of privilege, on the one hand, and open competition and impartial government, on the other, are the two extremes of the continuum defining state-society relations. Estonia, for example, with a small (around a million) nationalistic population that has been literate since end of the nineteenth century, comes close to the ideals of good governance. More-

over, because it did not grant citizenship to most of its Russian minority, Estonia does not have to contend with residual communist attitudes on the part of voters. Estonia comes the closest to the West European norm of modernity, but its example is hard to reproduce elsewhere. At the opposite end of the spectrum is Azerbaijan and countries like it, which are almost wholly particularistic. The other postcommunist countries lie somewhere in between—some still in transition, but most having by now reached some sort of equilibrium.

By 1990, with very few exceptions, even the old *nomenklatura* had come to accept the bankruptcy of the communist system. Thus transition did not really involve a struggle over ideology. There were, however, competing views on how best to approach economic reform and how to handle the re-creation of private property. Seen in retrospect, the debate over shock versus gradual therapy seems less consequential. Hungary and Poland, for example, took different paths but in the end the result was the same, because once the anticommunists in both countries won the first elections and true competition was unleashed, top-down control over the transition was lost. Similarly, it did not matter in the end whether nationalized property was returned to its former owners or if they were merely compensated. A stable property regime resulted only where the solution was, again, based on a social agreement or contract. The existence of an agreed-upon contract was more important than its contents.

In Central Europe, consensus was easier to forge, because the communist parties there had before 1989 already failed at a "third way"—the reform of the socialist economy. Where they had not yet attempted to reform the socialist economy, as in Romania, post-1989 governments explored this "third way" in the first years of the transition, which only made their economic problems worse. But as the old-guard communists had not at any moment lost control, they were positioned to manage political competition and to control the transformation even when they had to engage in more than "partial reforms."[6] In other words, they won at the capitalists' game.

Before discussing the winners and losers of the transitions, however, we must determine the extent to which "transition" is an autonomous process that unfolds independent of the will of those who initiate it. This seems to have been the case in only a small minority of the 28 postcommunist countries, mainly in Central Europe. Where such transitions did occur, there were challenger elites who managed to replace the Communist Party leaders in the first elections and then to set in motion a process that could not be controlled by anyone—not even the communists after they returned to power. This was the case in Czechoslovakia, Hungary, and Poland. In most of the 28 countries, however, communist elites themselves either implemented a fully controlled process of transformation—ranging from a substantial transformation in Slovenia

to largely nominal ones in the Central Asian republics—or they managed to control the change after an initial shock, such as the flight and execution of Romanian dictator Nicolae Ceauşescu.

Tenuous Victories

Because former regime elites held far more power and economic resources than the unorganized masses demonstrating in the streets at the beginning of the transition period, some governments—Todor Zhivkov's in Bulgaria or Slobodan Milošević's in Serbia, for example—agreed to liberalize their regimes and begin a process of reform that they hoped they could control. Given the disparity in resources, these leaders fully expected to win the first free elections, stop the challenge from the streets, and gain international legitimacy. They calculated well and did win initially, although the political challenge did not go away. For the time being, however, they succeeded in becoming the "winners" and keeping their hold on the state. Although some unpredictable developments occurred in all the transitions, the "winners" were for the most part predetermined; the leaders of the communist regimes themselves initiated and managed the transformation for their own benefit, with the goal being control, not reform.

The transition could thus yield a state with more autonomy and impartiality toward various groups (the postcommunist variant of modernization), or a state split into private, decentralized power fiefdoms connected through networks in a feudal-like system. These different outcomes were largely dependent on the capacity of society to mobilize and organize politically against state captors (or would-be captors). In countries where society had been strong before the transition, the vote for change was massive and immediately swept aside the former political establishments. In the rest, the political transition evolved (where it evolved at all) by spreading independent pockets of political and economic choice from the capital and other urban areas to the rest of society. As the number of entrepreneurs slowly grew and the number of state employees shrank, anticommunist oppositions eventually won elections. This was the case in Bulgaria, Romania, and Serbia.

Data on democratic attitudes from the 1998 World Values Survey confirm the cleavage between the urban, active population and the rural, state-dependent one. It is young, urban, educated people who provide the constituency for democracy in the postcommunist world. They believe in individual rather than state responsibility for personal well-being. State dependents—pensioners and employees in the state sector—hold attitudes that are significantly less democratic than do people employed in the new private sector.[7]

Strong proponents of modernization theory might argue that the balance of power between state and society under the communist regime—

which I have put forward in this essay as an overarching explanation—is in fact a legacy of modernization, built through a succession of regimes.[8] To some extent this is true: Communism, for example, took greater hold in less modernized societies, whose underdevelopment provided the perfect excuse for social engineering and state invasion of all spheres of life. But other factors matter as well, particularly Western attention. The level of interest displayed by Western policy makers in Central European countries was far greater than it was in places such as Moldova or Albania. Thus the communists had a freer hand in the latter countries.

If one controls for the relationship between the state and society, institutional variables lose their significance. For example, in the postcommunist countries, presidential systems were the result of state capture, not the other way around. Even when presidential systems were modified, nothing essential changed, as particularism was already enshrined. Various electoral systems were tried across the region, but they all failed to a great extent to produce stable, nationwide political parties or stable partisan constituencies, even though voters do have clear political values. Parties and legislatures are perceived as interest groups and privilege seekers and enjoy very low levels of trust. This negative image stems not from a lack of enlightenment among voters but from the behavior of the parties, which grab for themselves the benefits of public jobs, public money, and favoritism in public policy. Their conduct has come at an electoral cost: Turnout has declined over the years, as voters saw that no matter who won, the behavior stayed the same.[9]

The new East European democracies are conspicuously missing strong political parties, and it is unlikely that such parties will emerge in this era of postmodern political communication. The political arena is dominated by public-relations spin, and the policy agenda is set by consulting focus groups. After decades of living with only power monopolies and minimal political communication, the region was thrust directly into postmodern political life without ever having passed through modernity, with its gradual development of collective action, political parties, and constituency building. Instead, East Europeans have television—hundreds of channels. In Albania, Macedonia, and Romania, several all-news channels compete for political influence and make more news than they report. Given the high price of television production, one would assume that the entire advertising market of these countries would not be enough to sustain even one channel. In societies based on particularism rather than free competition, however, media outlets are not ordinary business ventures. Rather, investors use these channels for blackmail or for trading influence.

Today, many postcommunist countries can be characterized as captive states—places where voters are alienated, political parties compete only for spoils, the media are used as tools of corruption, and what passes for political discourse is little more than a public-relations campaign.

Even the most advanced democracies in the region have their fair share of treasure-hunting politicians and disaffected voters, no real political parties, and little substantive political debate. Despite these shared shortcomings, however, a crucial difference divides these countries: In some, the state and society have been able to forge a new social contract, and in others they have not. The difference between the two sets of cases is striking, with the former boasting relatively stable democracies and improving economies and the latter still struggling to make any progress. Latvia and Moldova have ended up on different continents, even if a paleontologist can still find the fossils proving that twenty years ago they belonged together.

NOTES

1. See Venelin I. Ganev, "Post-Communism as a Historical Episode of State-Building: A Reversed Tillyan Perspective," Kellogg Institute Working Paper No. 289, November 2001; available at *http://kellogg.nd.edu/publications/workingpapers/WPS/289.pdf*.

2. See also Anna Grzymala-Busse and Pauline Jones Luong, "The Ignored Transition: Postcommunist State Development," Working Paper 02–02, Weatherhead Center for International Affairs, Harvard University, March 2002.

3. Joel S. Migdal, *Strong Societies and Weak States* (Princeton: Princeton University Press, 1988).

4. Ghita Ionescu, *The Breakup of the Soviet Empire in Eastern Europe* (Harmondsworth: Penguin, 1965), 166.

5. This graphic is based on Ghita Ionescu, *Comparative Communist Politics (*London: Macmillan, 1972) and Stéphane Courtois et al., *Le livre noir du communisme: Crimes, terreur, répression* (Paris: Robert Laffont, 1999).

6. The term "partial reforms" is from Joel S. Hellman, "Winners Take All: The Politics of Partial Reform in Postcommunist Transitions," *World Politics* 50 (January 1998): 203–34.

7. World Values Survey, 1998, pool sample includes former Warsaw Pact countries; see Alina Mungiu-Pippidi, "Fatalistic Political Cultures Revisited," ch. 12 in Hans-Dieter Klingemann, Dieter Fuchs, and Jan Zielonka, *Democracy and Political Culture in Eastern Europe* (London: Routledge, 2006) and *www.worldvaluessurvey.org*.

8. See, for instance, Martha de Melo et al., "Circumstance and Choice: The Role of Initial Conditions and Policies in Transition Economies," World Bank Policy Research Working Paper, no. WPS 1866, 1997; Herbert Kitshelt, "Post-Communist Economic Reform: Causal Mechanisms and Concomitant Properties," paper presented at the annual meeting of the American Political Science Association, San Francisco, 2001.

9. See Alina Mungiu-Pippidi, "Understanding Balkan Particularism: The Ambiguous Social Capital of South-eastern Europe," *Journal of Southeast European and Black Sea Studies* 5 (January 2005): 45–65.