1989–2009–2029
20 Years ago, 20 Years ahead – Young Liberal Ideas

Edited by:
Ulrich Niemann and Neli Kaloyanova
Regional Office for Central, East and Southeast Europe, South Caucasus and Central Asia
Two decades ago, all people in the region called Central, East and Southeast Europe, South Caucasus and Central Asia (‘CEE/CA’) lived under communist regimes. In a short time, by a historical perspective, the people in many of these countries succeeded in establishing democracies and free-market economies. The Friedrich Naumann Foundation for Liberty (‘FNF’) supports this continuous transformation process and these countries’ integration into a free and democratic Europe.

Our major tasks are the promotion of democracy, a constitutional state, pluralism and a free-market economy. To achieve our goals, we apply the classic instruments of political education, political counselling and dialogue such as conferences, workshops or study visits. Also, unconventional methods such as theatre performances or informal discussion forums are used when the political framework justifies it. Each year, the Foundation organises some 400 meetings with several thousand participants in the CEE/CA region. A close network of political parties, citizens’ initiatives, human rights organisations, think tanks and scientific institutions forms the basis of the Foundation’s activities.

The CEE/CA region is divided into six sub-regions: Central Europe and the Baltic states, Ukraine and Belarus, Western Balkans, Southeast Europe, Russia and Central Asia and Southern Caucasus, each of which cover several countries. At present, the regional office coordinates CEE/CA initiatives in 27 project countries. The Foundation has 40 representatives in 11 offices to carry out its work in the region.

Cover photos: One era is over: Lenin monument in Berlin-Friedrichshain will dismount. Photo: Andreas Altwein, © dpa – Bildarchiv; The EU flags in front of the Berlaymont building in Brussels, headquarters of the European Commission in Brussels, Photo: FNF ©
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The battle for freedom goes on

"In these times, one can only be liberal". A remark made by Bulgaria's first democratically elected President, Dr. Zhelyu Zhelev, 20 years ago when the old communist regimes in the East were in ruins. Indeed, this was one of the greatest revolutions the world has ever seen, and it was a liberal revolution in the classic, European sense.

Ever since the earliest political changes of 1989-1990, the Friedrich Naumann Foundation for Freedom has been supporting efforts to pass the liberal reforms required to transform the countries in Central and Southeast Europe as well as those that were parts of the former Soviet Union. The Foundation joined hands with the liberal revolutionaries who fought for democracy, pluralism and individual freedom. Today, we commemorate major achievements, above all the end of the Cold War and the division of our continent, followed by the successful enlargement of the European Union and NATO. And we pay tribute to the people who, in a very short time by a historical perspective, succeeded in establishing democracies and free-market economics in many of these countries.

The younger generation was literally born into a new world, where the old order has been turned upside down after a complete ideological, political, economic and social system had dissolved. The young are the real children of the most fundamental transformation the world has ever seen, shaping their personal lives and deeply influencing their minds. These new fundamental changes nourished their hopes and dreams. But the post-communist era also brought disappointments, particularly when the course of liberal reforms was impeded by vested interests or even reversed by those notorious protagonists of the past who are still clinging to their autocratic power.

This is the future battleground for the generation of young democrats in order to shape their own future. Hence we invited 15 young liberal women and men, most of them children when the Iron Curtain fell, to express their

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very personal views on the past, present and future in their respective countries.

Although strong believers in democracy and a pluralistic liberal society as ultimate goals, many of the young authors, all of them partners of the Friedrich Naumann Foundation for Freedom, reflect on their own transformation experience in a very emotional way:

_Jelena Milic_ from Serbia wants to continue to remove gently, brick by brick, the wall of isolation behind which many citizens of her country still hide, in fear of the competition from the ideas, values and skills of the 21st century.

In countries like Russia and other former parts of the Soviet Union, the democratic transition seems long past yet these states are still authoritarian, not democratic as was expected or at least hoped. Pluralism in these countries is still in its early stages of development having been ceaselessly and systematically limited through judicial interference, the reckless use of administrative power and the manipulation of public opinion through a state media monopoly.

_Oleg Kozlovky_ sees Russia's liberalization as having failed: Since the government was in control of the entire reform process, it rarely allowed new leaders to gain top positions in Russian politics. The elites never changed after the collapse of the Soviet Union, continuity was always maintained.

_Lasha Tughushi_ finds that Georgian society demands more genuine forms and pace of country's modernization towards western standards... Georgians see their country as a member of the family of developed, western nations.

Ukraine has become a democratic country, despite its enormous democratic deficiencies, particularly in the way laws are interpreted. However, for _Vitaliy Portnikov_, Ukraine’s independence and turn to democracy is jeopardized by irresponsible populists who did their best to strengthen their clans, promised the unfeasible rather than undertake the necessary structural economic reforms or, even worse, reformed in a way that resulted in economic collapse.
On 25 March 2007 in Berlin, at the occasion of the 50th anniversary of the signing of the Treaties of Rome, the Heads of the EU member states declared that “thanks to the yearning for freedom of the peoples of Central and Eastern Europe, the unnatural division of Europe is ... consigned to the past.” Indeed, Europe's transformative power had dragged successive waves of countries out of dictatorship and into democracy and is underpinned by the biggest common market in the world. There were developments that contributed to the establishment of stable liberal democracies and market economies in the new Eastern member states from the very beginning of their independence, even before the changes made under the external pressure that the EU exerted as part of the accession process. The most important of these internally generated changes was that all of the countries undergoing reforms adopted a pluralistic parliamentary system of government. Also, most of them, with some delays, in the first phase of transformation became followers of liberal reform concepts.

However, over time, parties have developed with an obvious lack of what could be termed a "representative principle" – the combination of internal political democracy and a clear-cut ideology that allows a party to adequately represent its voters. Without this principle, the behaviour of both voters and politicians has become more volatile. A further consequence has been the emergence of antagonistic coalitions in unstable governments, an ever-increasing distrust of politicians and decreasing rates of public participation in politics. The most important function of a party operating in a democracy, to rely upon established norms and procedures to settle conflicts by consensus, has been exercised rarely, if ever at all. Particularly alarming is the increasing influence of nationalistic and populist political personalities and parties as the results of the recent elections to the European Parliament have shown. Furthermore, political volatility and the population's diminished confidence in the political process has often encouraged accusations that free market reforms are unsuccessful and that they increase social inequality. These accusations have made elected governments stop or even reverse reforms. Decreases in production and growth in the

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mid-1990’s, more severe than expected in some countries, created extreme social difficulties and resulted in disappointment and disillusionment with the economic transition process.⁴

Viktória Takács and Miklós Rosta from Hungary as well as Robert Zemaitis from Latvia, who are active members of the liberal parties’ youth organisations in their countries, reflect very critically on their mother parties’ failure to respond to political decline.

For Gašper Koprivšek from Slovenia, there is a strong feeling among the people that there is a lack of a vision for the future. The state can only contribute a little help but responsibility needs to be taken by each individual. He wishes that Slovene youth were more ambitious and prepared to risk something in their lives. David Lipka, a young liberal economist from the Czech Republic, comes to the conclusion that there was a lack of leaders who were capable of explaining the nature of the transformative process underway to ordinary people.

This seems to be ever more important as there is clear empirical evidence that quick, comprehensive reforms made it possible for the region's countries to promptly overcome their post-communist recessions while also achieving better, sustainable economic development, as indicated by higher growth rates and increased foreign investments.⁵ The positive transition experience of these countries, which were determined to reform their systems, is an example for the entire region and beyond. In this way, the fundamental truths of liberal convictions are again visible: a functioning economy needs the disciplining effect of competition and the protection of legal rights. Under these conditions, a free-market economy produces social benefits such as lower prices, higher productivity, more jobs and rising incomes.

Szymon Gutkowski, founder and president of the liberal think-tank “Project Poland” sees many benefits from EU membership for his country which has become the 6th largest economy in the European Union with a free mar-

ket, a stable currency and a vibrant stock exchange. But Polish parties are still rather focussed on their public relations and getting into power than developing real political programmes. For Martin Chren from Slovakia, the most crucial remaining challenge that needs to be overcome in most post-socialist societies lies in the moral, not the economic side of the transformation process.

Nicoleta Nicolescu writes that Romanian liberalism has to assume the role of the “re-organiser of the society”. For Iliya Lingorski, Bulgaria’s EU membership could yield immensely more to the country by being the source of strength for modernizing not only the infrastructure and institutions but also the people’s mentality, character and attitudes. Jurgita Choromanskyte sees an "open floor" in her Lithuania for a truly liberal party to step forward as the people demand and the state requires true liberal ideas, values and policies.

Both the prospect of accession to the EU and accession itself has had a positive effect on the democratic and economic transformation of every new member state admitted so far. But besides the complete implementation of the acquis communautaire, attention has to be paid to encouraging the democratic development of the prospective member’s society, state and politics. Priority should be given also to the strict adherence to the fairness of the election process, to the behaviour of political parties and to the transparency of economic decisions. European institutions, EU member states as well as non-governmental and other civil society organisations must strengthen their support to the process of democratic consolidation underway in the countries still in transition. Achieving this goal requires an intense dialogue and exchange of ideas.

At the same time, the liberal democracies and market economies of Western Europe should embrace reforms with the same will and diligence displayed by many of the new Eastern member states for, after all, competition compels progress. Old Europe should not stand in the way of new opportunities,

but rather reform itself. The four fundamental freedoms of the European Common Market are a foundation stone for European integration and are still a driving force of the EU's prosperity. Whether Western Europe can reform is a question of great significance, especially for Germany, which is a leading exporting country of investment goods and benefits from EU enlargement to the East.

For Johannes Vogel, Chairman of the Young Liberals of Germany and a newly elected member of the Federal German Parliament, Germany as a nation which itself had to incorporate a society that had been ruled for decades by communist dictators, is perfectly suited to promote and assist a closely integrated Europe. However, one should be aware of remaining problems and mistakes that had been made. Many innovative liberal reforms in the fields of social welfare, tax policy and education are still pending.

Only a liberal Europe that is open and willing to reform itself will have the strength to revive its integrative power which is needed today more than ever.

Ulrich Niemann and Neli Kaloyanova
Friedrich Naumann Foundation for Freedom
Regional Office for Central, East and Southeast Europe, South Caucasus and Central Asia

Sofia, November 9, 2009
“Yet no government could hope to accomplish a task as significant as transforming a country like ours into a modern and successful region of Europe without the wholehearted commitment of people from all walks of life united around a common vision and leaders of high integrity and unshakable values.”
We can clearly see our vision of Bulgaria only in our hearths

This year we celebrate the 20th anniversary of the fall of the Berlin Wall – an event that will, until the end of time, remain in the hearts and minds of people in Europe as a milestone in our continent’s path to freedom. To the nations in the West, it was a victory, a triumph of democracy and their values over despotism, a success of their common striving with the people of North America to live in a world free from the fear of a lethal global war. For most of us in the Eastern side of Europe, this historic event marked the end of a dark era of communist totalitarianism and isolation, and epitomized our hopes for a better life and a higher standard of living, for new personal and professional opportunities for ourselves and our children.

Bulgaria in 1989

I remember clearly that evening, twenty years ago, of November 10th, 1989. My father and I listened to the radio news broadcast about the resignation of Todor Zhivkov as the Secretary General of the Bulgarian Communist Party; he had been head of the state and party for an astounding 33 years. The television news report of the Party Plenum centred on Zhivkov’s confused facial expression which conveyed the mood of that day – a combination of an admission of the complete failure of socialism with unease about what was ahead. For us, there was no immediate celebration or euphoria as we were unsure of how the country’s communist leadership would handle the situation. My Dad knew how the communist system worked and I can still recall his grim expression and prophetic words: that “our old boys”, meaning the communist nomenklatura and apparatchiks, had been taught to follow instructions, orders which did not even originate in Bulgaria, but now there was no one to give instructions anymore. His point was plain – from that moment, the leaders of the state, church, industry, education and society had now to implement their own vision for the country’s future. However, initiative and independent decision-making was exactly what was lacking as the kind of culture that promoted those traits had been suppressed for far too long. Yet, during the years of transition which followed Zhivkov’s final speech, many Bulgarians wondered why life was not going swiftly in the desired and anticipated direction. That was my first lesson in liberal-
ism, or more precisely, in learning the consequences of the lack of a liberal mindset in a society.

The communist system had removed not only political and civil freedoms but property rights, private initiative and competition. It had accomplished the economic and social extinction of the middle class and all entrepreneurs. In my country, symbolic property rights were re-established towards the end of the 1960's, such as those to housing (restricted to one home per family), land (limited to one's own use and small agricultural plots), and enterprises (for small, craft businesses only).

After the fall of the Berlin Wall, political and civil rights were re-insti-tuted, followed by the restoration of full property rights. Restitution became the legislative principle for the re-establishment of private property. In the 1990's, the legislation governing the restructuring and privatization of state-owned and municipal enterprises and assets was amended over 30 times. The restitution process was politically just but not always economically pragmatic. Some problems were management buy-outs and subsequent asset stripping, lack of transparency, and political pressure on the private sector.

Another major challenge in the early years of transition to the market economy was the stabilization of the currency, the state budget and the banking system. Following a number of years of financial turbulence and the crisis of 1996-97, stability was successfully achieved after the introduction of a currency board in 1997. The resulting financial stability quickly led to more stable and predictable political processes. Each government since the introduction of the currency board has served its full term - but no government before the board was established finished its term, regardless of its policies or constituent parties.

_Liberal reforms and the return of a King_

In 2001, an unprecedented political event took place in Europe - a former king, H.M. King Simeon II, who had lived in involuntary exile for more than half a century, returned home to begin a political career. The king's
return was strongly opposed by both the ex-Communists, who had exiled his family, and some of the post-communist political elite, who feared that the king’s presence and popularity could jeopardize the newly established status quo and thus reduce their own political weight. The king, who had never abdicated, did not give up on his people and country and launched The National Movement for Simeon II (NMSS, today NMSP) which won a landslide victory at the next Parliamentary elections in June 2001.

To the surprise of many political observers, the king, now Prime Minister Simeon Saxe-Coburg, embarked on a liberal political and economic programme and invited a number of young western-educated professionals to lead his government's economic team - among whom I was very honoured to be. NMSS joined the European liberal family of ELDR and hosted the 53-rd Liberal International Congress in Sofia in May 2005. The Saxe-Coburg cabinet was the first truly liberal government since WWII.

The seeds of liberal reform shot up and ripened quickly, and our country's status in the world changed as never before. In Washington on March 29th, 2004, PM Simeon Saxe-Coburg handed in the ratification documents for accession to NATO. One year later, on April 24th, 2005, at an official ceremony in Luxembourg, he signed Bulgaria’s Treaty of Accession to the European Union. His Majesty dedicated the Treaty to the young generation of Bulgaria and said: “They will carry the European integration process further, promote the ideals of the Community and work for the unity, peace and success of Europe in the 21st century.”

After a long period of political turbulence and economic stagnation, the government's introduction of liberal policies after 2001 made the country attractive to foreign investors for the first time and created one of the fastest growing economies in Europe. Among the first results of implementing practical, conservative liberalism were a successful reform and privatization of the banking sector, a strong fiscal policy and a lowered rate of direct taxation (a flat tax of 10%), a rapid reduction in state debt, an improvement in the country's credit rating, a better business climate, and a rapid increase in FDI.

To be fair, there were problems on the way; the main one, from a liberal
viewpoint, being the struggle to establish the rule of law and reform the judiciary system to a modern European standard. Bulgaria’s Constitution, adopted in 1991 when the former communist party was dominant, has been amended 13 times since 2003 to meet the requirements for EU membership, particularly with regard to judicial reform. While progress has been made, there are still some more amendments needed related to the position and accountability of the Prosecution and Central Investigation Office. These amendments cannot be passed by an ordinary Parliament according to the Constitution and rulings by the Constitutional Court. Recently, some of the current government’s supporters in Parliament have called for a Grand National Assembly - an extended parliament able to pass any changes and amendments to the Constitution.

Our government has been criticized by Brussels and some EU countries for failing to efficiently fight corruption at both central and local levels. This problem leads us again to the importance of establishing the core liberal values of the rule of law and access to efficient, fast and above all, just, court rulings. The failure to establish these values has already engendered a negative social attitude towards the wealthy and feelings of social injustice. These attitudes hamper further liberal reforms as they induce nostalgia for a larger state with centralized power, although that legacy is paradoxically the root of the problem. It is encouraging that the recently formed centre-right government of Prime Minister Borisov have demonstrated an energetic commitment to tackle this issue, a commitment recognized by EC President Barroso, but there are concerns about using this policy to enlarge the state and restrict freedoms.

European Union membership offers unparalleled opportunities for the development and modernization of Bulgarian society. After 45 years of communist dictatorship and some 20 demanding years of political and economic transition, we are now able to travel and trade freely within a domain of 27 countries and 500 million people who produce a GDP of about 12.5 trillion euros. Only 10 years ago, these facts about modern Bulgaria would have appeared to an ordinary citizen as utopian.

Bulgaria’s EU membership is often discussed in the light of accelerating
economic, infrastructural, institutional and social development, for which purposes EU funds are available. However, EU membership could yield immensely more to a country like ours by being the impetus to modernize not only infrastructure but also our mentality and character. Remembering His Majesty’s words of dedication at the EU accession ceremony in Luxembourg, I am excited by this unprecedented opportunity to contribute to a community and a market as large as Europe and to take an active part in a truly global play. It makes me realize again the simple truth that we are rich with what we can give and poor in what we are in need of.

*What shall Bulgaria be like in 2029?*

Last year at our Party Congress, Commissioner Kuneva spoke eloquently about the new opportunities presented us by EU membership. As she mentioned that in 2018 Bulgaria would preside over the European Union, she paused as if to give us a moment to think about that, and my colleague whispered to me: “*Well, that is so long from now*”. Then, as if the Commissioner had read our minds, she calmly concluded: “*It is only in 10 years*”. By the time this article is published, it will be only 9 years.

When developing a vision of Bulgaria’s future in Europe, one can see three evident strengths – our people with their traditional family values and tolerant culture, the country’s geo-strategic location, and the unique Bulgarian nature.

Understanding our identity should be our starting point. Throughout our history and in our culture, the family has always been the foundation upon which virtue and success are established. As H.M. Simeon II gracefully put it recently: “*In our Bulgarian soul, the family has always been the hearth of a little universe which populates the larger universe of the nation and proclaims the same values. I am convinced that one of the aims of our statesmen should be the return to the traditional Bulgarian values. The government will have to face this challenge as it is hardly possible for any endeavour to come to a success without being intrinsically linked to the family, to its problems and objectives.*”

From a liberal point of view, investing in the individual will give better
results than investing in any other part of society. By supporting the family, we thereby invest in each individual member of it efficiently and in the proper manner and time. Our National Movement has implemented a family investment policy and many young families in Bulgaria have already benefited from the extension in remunerated maternity leave from 3 to 12 months. With this policy, children can grow up, surrounded by their mother's love and care, to become wholesome and confident human beings.

In the next two decades, people's everyday life should benefit from EU membership - a goal that sets before us many priorities, but clearly three development goals are especially relevant for Bulgarians:
I. The new European energy corridors and renewable energy capacities;
II. Sustainable bio-friendly agriculture and food industry;
III. Environmentally conscious regional development to achieve a healthy lifestyle in balance with nature.

Government, commerce and education must be firmly established on the principles of meritocracy, transparency and free competition for these goals to be achieved.

To implement this vision for completing the process of economic and social transition in Bulgaria by 2029, six simple policies regarding the relationships between private property and liberty should be followed:
1. Rule of law - accessible, fast and just law enforcement;
2. Political and economic stability;
3. Transparency and equal access to information;
4. Decentralization, further liberalization & public-private partnership (PPP);
5. Development of civil society;
6. Fight against red tape and bureaucracy.

In addition I would like to include four other liberal policies of a wider, regional scope:

7. Continuously growing investment in knowledge transfer and language education;
8. Environmental protection and investment in renewable energy;
9. Expansion of the Euro-zone to include all new member countries;
10. Enlargement of the EU over all of South-East Europe.

The creation of a stable, peaceful and prosperous society is a much bigger task than listing 10 macro priorities for a government. There are so many other important issues to which sound liberal solutions can be efficiently implemented, such as addressing the escalation of ethnic tensions, securing the pension system, modernizing healthcare, protecting personal privacy while combating sophisticated terrorists and organized crime networks, neo-protectionism, subsidizing inefficient economic sectors, and an unnecessarily large and inefficient state sector. This list could continue over many pages and each problem needs a proper solution. However, solutions require resources and resources are generated sufficiently and in a sustainable way in a society which guarantees to every citizen, regardless of their social position, race or gender, the rights and obligations of personal freedom and responsibility, equality before the law, private property rights and competition. No government could hope to accomplish a task as significant as transforming a country like ours into a modern and successful region of Europe without the wholehearted commitment of people from all walks of life united around a common vision and leaders of high integrity and unshakable values. For this reason, political decisions must be taken transparently and at a level as close as possible to the citizens and local community. Political parties, their leaders and representatives should stay closely linked to citizens, communicate frequently and directly to people rather than only to their voters or via the mass media. Accountability and adequate visibility of deliveries will help building confidence both in institutions as well as in personal significance and abilities of the individual. It is crucial to establish a proper rapport between citizens, local and central powers in order to promote civil participation and the ownership of success.

The liberal view of Europe is a Europe for its citizens. This credo of 'subsidiarity' propagates down to each member country and subsequently to each individual member of society. Politics has to be made from the bottom up: citizens first, then local community and civil organizations, then municipality, then regional government, country government and EU institutions last.
The principle of subsidiarity is based upon the autonomy and dignity of the individual, and implements, in a practical manner, the concept of service and mutual responsibility.

European integration during the coming 20 years will continue to be the engine for modernization and reforms, for the economic and social development of Bulgaria. It has proven to be a successful framework for liberal policy making and implementation. Freedom is the cornerstone of this success. Personal freedom and personal responsibility in a democratic society governed by the rule of law is essential for achieving any positive and prosperous vision for our country and society. Freedom and peace, however, should never be taken for granted, they are our most precious achievements that we all must zealously defend the beliefs of our common European space which should be our legacy for generations to come.

Fortunately, United Europe is about freedom, mutual responsibility and peace. When we debate and work towards putting into practice our main five freedoms: of movement of goods, capital, services, persons and knowledge, we instantly recognize that freedom goes together with responsibility and consideration for others as do two sides of the same coin. We also acknowledge that true freedom is possible only under the rule of law when private property is protected and law enforcement is accessible and just for everyone. Does that mean that the European Union is a project founded on liberal values, and if yes, should Bulgaria continue implementing liberal policies and reforms to deserve her proper place in Europe by 2029? The answers are up to the reader. To the sceptic, the author can only cite examples like Ireland, where people, government and business, after some hardship, made the right choices and, by persevering, achieved the right results.

How shall we answer the doubters, discouraged by the hardships of transition and unsure of our vision of prosperity in 2029? This dilemma seems to be natural to the human mind throughout history, for some 3,000 years ago the Ecclesiastes said: “Whoever watches the wind will not plant; whoever looks at the clouds will not reap.” Ecc 11:4 (NIV). The best assurance we have is in our faith, vision, sincere efforts and hard work.

In picturing the vision of my country 20 years from now, I am always mo-
tivated by the words of King Simeon II spoken in September 2008 on the occasion of the centenary of the “Proclamation of the Third Bulgarian Kingdom”, the day that is now celebrated as Bulgaria’s Independence Day. His Majesty reminded us that: “When one genuinely has the cause of Bulgaria at heart, nothing is impossible.”

Iliya Lingorski was born in 1970. He was Chief Political Advisor to the Deputy Prime Minister and Minister of Economy (2003), Executive Director of the National Tourism Promotion Agency (2003) and Deputy Minister of Finance (2003–2005). Since 2007, Iliya Lingorski has been Vice President of the liberal Party NMSP.
David Lipka

“Transformation must change the very way people behave, legislation seems to be just one of several complementary tools that can be applied to make that change.”
Could we have done better?

Few impressions from the immediate aftermath of the Velvet revolution are as deeply rooted in my mind as my optimism, widely shared, that we would catch up to the West in five years, maybe ten, but definitely not more than fifteen. Yet today, twenty years have elapsed and there is still a great difference between the two sides of the former Iron Curtain. Even today, all Western European countries save Portugal have greater wealth per capita than the Czech Republic. All those countries rank higher in the UN Human Development Index, as well as in the Fraser Index of Economic Freedom. And, last but not least, their inhabitants report higher subjective well-being than my fellow citizens. The question is why? Is it a failure of our transformation? Whose failure? Could we have done better?

In order to answer these questions, one needs first to realize where we started from back in 1989 and where we wanted to go. As for the starting point, we should be concerned with something more fundamental than how the economy was organised. Economists can cite the absence of private property in the means of production and the centralized management of production and distribution but after all, the old system was more than just a planned economy. The system's particular difference, I would argue, lies in the relationship between an individual and society. The system that called itself socialism was predicated on the idea of society as an organism, so individuals made sense only within that social whole; their meaning was derived from the meaning of the collective.

Provided this interpretation is plausible, then socialism can survive only as long as people truly identify themselves with society. Once this identification vanishes, once people become alienated from the common cause, once they cease to be inspired by the Party or political leaders, there is no power to hold the structure together, it becomes extremely vulnerable and is ultimately doomed to fail. This process of disintegration was certainly happening from the very establishment of socialist Czechoslovakia but it gained momentum in the 1980's. At that time, people forever lost faith in the system and abandoned any possible common goal. There remained only individuals with their competing goals which could not be satisfactorily ful-
filled by central planners. The leaders were thus unveiled as incompetent, corrupt, and weak.

At this point, the situation was ripe for a change. But what kind of change? Dissatisfaction with the status quo does not automatically imply any consensus about where to go. Was there any common denominator amongst the numerous opinions that sprang up in this time of revolutionary ferment? I can think of two points of reference. First, there was a strong desire to change the method of how political leaders were selected. People called for democracy, for a system where everyone had a say in choosing their representative. Second, no one doubted it was necessary to drastically reduce the scope of the state’s interference in individual lives and economic affairs.

In this respect, the systemic change which took place in Czechoslovakia and later in the Czech Republic in the early 1990’s was clearly successful. We do have a multi-party political system with free elections, we do have civil rights guaranteed by the constitution, we can travel abroad, we can read what we wish, and we do have an economic system that is vastly more productive than the socialist one. According to the Freedom House survey, our country cannot do better in either political rights or civil liberties. And if we measure the role of government in the economy by the ratio of public expenditure to GDP, we are more free than the average EU country.

So, where does the frustration that one encounters every day come from? How is it possible that the unreformed Communist party still plays a significant role in shaping ruling coalitions? That politicians appear almost as incompetent and corrupt as before? That the standard picture of a Czech businessman is that of a cynical, greedy person indifferent to moral and even legal rules? How can this be if the reforms seem to have, in general, been implemented correctly? It is not my ambition to provide a full-fledged answer to this tricky question, instead I will concentrate only on one aspect that is frequently forgotten and yet, in my view, essential.

What was socialism’s problem, why didn’t it work? I think that most answers, irrespective of their precise content, will be framed in terms of a strict separation between players and rules. The players – individual people – are
assumed to be identical across different systems and hence any variations in outcomes will be attributable to the constraints – to the rules that individuals face. This framework is very simple, intuitively plausible, and widely accepted. Just as socialists think of men as being good and creative but constrained by so-called bourgeois rights, the free market revolutionaries – having reversed this reasoning – interpret the lack of those rights as a fetter whose elimination would unleash the full potential of the people's entrepreneurial nature.

This approach is not without problems, though. In some deeper sense, institutional constraints are not external to players. Therefore, it is more appropriate to treat institutions as representations of actual behaviour patterns, as equilibriums in situations where people face mutual coordination problems. Although this modification seems an insubstantial descriptive change, it has some important policy implications. While it seems quite simple to transplant the rules of the game to a new democracy – enact a constitution and the appropriate laws and regulations, it is much more complicated to change the way of individuals actually coordinate themselves. The same laws can have completely different impacts in different contexts – it depends on who enacts them and to whom they are addressed.

That should not, of course, lead us to a conclusion that the social sciences cannot clarify what has been actually happening during the post-socialist transformation process or that nothing can be done to improve the results. It only argues against the overoptimistic view that all we needed in 1989 was a group of smart experts who knew how to write the appropriate laws to change the system, and that everything else would follow somehow automatically, or, as Marx would say, with the inevitability of a law of nature. Transformation must change the very way people behave, legislation seems to be just one of several complementary tools that can be applied to make that change.

I believe this insight was not common knowledge in 1989 and that ignoring it since has resulted in a significant impact on our current post-transformation experience. Let me illustrate this. During the transformation's first phase, revolutionary zeal focused on dismantling the state's power per se.
After a few days of the Velvet revolution, it became obvious that people would not be content with merely repainting the regime’s façade - they demanded its complete demolition and the creation of something new, something less omnipresent, less intrusive and less alien. In response, old restrictions were lifted, and new, less oppressive rules were implemented.

That obviously liberated creativity and entrepreneurship. However, these new rules did not automatically bring about a new equilibrium. Rewriting laws and dressing policemen in different uniforms is not the same as changing institutions. The link between formal rules and institutions is by no means straightforward and it would be absurd to expect that the mere substitution of good rules for bad will give birth to a free and smoothly functioning society. Yes, it will upset existing institutions and provide room for the emergence of something new but it will not bring about new equilibriums. Real institutional change requires the active participation of individuals who will interpret the situation, search for potential focal points, and modify their ideas accordingly about what works and what does not. Put simply, the systemic change must be carried on by all individuals and that is costly and time consuming.

This point is crucial: if the prevailing opinion is that the task of transformation is limited to politicians – having been entrusted with the power to reform – modifying existing laws, while ordinary people just wait around to exploit any opportunities opened up by the new order, then it is no surprise that a great deal of disillusion has ensued. Old, perverse behavioural patterns applied in the new environment could not immediately produce the anticipated outcomes.

The way the transformative process actually unfolded, though natural and unavoidable, was thus in stark contradiction with prior general expectations. Consequently, in the mid-1990s, most people started to speak about “excessive liberalism” and a “failure of laissez-faire.” Liberalisation should have brought about prosperity that had yet to come, so promises seemed broken and expectations were frustrated.

The frustration caused by overoptimistic expectations was further rein-
forced by the emergence of new problems falsely ascribed to the process of dismantling socialism. Many of the inefficiencies that most bothered people were the result of interventionist policies misrepresented as features of the ideal free society by reformers’ misleading rhetoric.

And there was still another cause which added to the overall frustration: the sheer size of illegal, or at least immoral, property transfers. People tended to forget that the absolute amount of evil they witnessed was not a function of the new system’s inefficiency but rather of the enormous, unprecedented opportunity to profit from unlawful behaviour. It is the opportunity that makes a thief, at least to some extent.

Consequently, our disillusionment problem has three sources: the fundamental disillusion caused by the prevailing opinion’s erroneous conception of how institutional change should be undertaken, which is reinforced by two factors, the unwarranted ascription of problems caused by interventionism to liberalising policies, and, last but not least, by the temporary but enormous “opportunity effect”. These two additional factors helped make the subsequent swing of the pendulum of public opinion back faster and more permanently towards interventionism and a reliance on government.

Anyway, after the disillusionment with freedom, people turned back towards politicians other than the original reformers, whose promise of prosperity by eliminating state power had seemingly failed. Disappointed voters reoriented their aspirations towards those politicians who promised to really manage events rather than just let them happen. In 1998, the Social Democrats won the general election with a program of stopping the previous governments’ “excessive liberalisation”.

Yet, the new government also failed to perform adequately. The voters’ ensuing frustration with social democratic politics and its inability to solve their problems was at least as deep as their earlier disillusionment with the reformers’ cumbersome spontaneous development. It was no big surprise. Though the change in government had not brought society back to socialism but only to some intermediate point, to the sort of welfare statism that could comfortably vegetate in any Western country, it still failed. It did not
fulfil people's expectations. Our social democracy did not look like the social democracies in Sweden or Denmark. And the reason is straightforward – our new democracy's politics lacked proper institutions. Every system of human interactions requires institutions and new institutions cannot simply be decreed, their emergence takes time and effort, be it in politics or markets.

My account of the transformation experience is undoubtedly rough but it does describe the how the sources of disappointment can be directly linked to institutions and expectations. The transformation began with new rules allowing for both political and economic competition but the result was not the paradise predicted but problems that should have never occurred. Of course, the process would naturally entail some amount of necessary pain but, with the benefit of hindsight, I would argue that much pain would have been avoided by deflating the initial, overoptimistic expectations. It is important to stress that expectations are not just a benign phenomenon - they have had a direct and significant negative impact on both the transformation process and its outcome. Prior, optimistic notions about what needed to be done and who would do it have substantially prolonged the path to prosperity. The people resisted adjusting their behaviour because they expected institutions to operate successfully without their active participation.

That said, we can proceed to deriving what I would call the “unnecessary cost of transformation”. In each systemic change, there is a “transformation window”. This transformation window embodies the people's readiness for change - their willingness to bear the cost of modifying their behavioural patterns. This window is open for only a limited, yet flexible, period of time. And this is where I see the lost opportunity - we failed to prolong this interval or at least prevent its untimely closure.

The essential question is who should have kept the window open longer - most people would probably answer - the politicians. Yes, it would certainly be possible to find examples of politicians suggesting that people could passively await the emergence of a new improved institutional structure. And surely some politicians cynically used of liberal rhetoric while implementing interventionist policies. Both the people's passivity and politicians'
cynicism acted to close the transformation window. Yet, could politicians ever be expected to do otherwise?

I do not think so. If my understanding of the systemic change after 1989 is correct, the initial reformers’ influence on the overall transformational process proved relatively limited. They merely changed formal rules in a way which reflected popular demand. They surely encouraged the people’s optimism but this is part of their job. In a democracy, they could have achieved little more. Of course, with benevolent, omniscient and omnipotent leaders we would have done better but an unelected government of perfect individuals is beyond the realm of possibility.

So, would economists have done a better job of enlightening people than the politicians did? Although the economists of twenty years ago had virtually no experience with abolishing socialism and their textbooks had no chapters on transformation, their science did have sufficient analytical tools to explain the core notions, tools that were familiar even to some politicians.

I am strongly convinced that what was needed were not politicians or economists but those who were capable of explaining the nature of the transformational process underway to ordinary people; not Klauses nor Friedmans but rather modern day Bastiats. This is, in my view, the lesson to be learnt from the past twenty years. The success of any reform depends on whether people have a basic understanding of its nature. It seems rather obvious that this understanding will be provided neither by politicians, for whom it would be counterproductive, nor by social scientists for whom it would be too mundane. After all, elections are won by hiding the costs and exaggerating the benefits, rather than unveiling reality. Hence, reforming societies need more Bastiats and Cobdens; more people who are capable and willing to spread insights of how society works in a way that is accessible even to laymen. Without them we are doomed to commit the same errors again and again.
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Lasha Tughushi

“Georgian society demands more genuine forms and pace of country's modernization towards western standards... Georgians see their country as a member of the family of developed, western nations.”
The rush west

Georgia is a country characterised by the size and importance of its street protests, which occur much more frequently then in any other South Caucasian state. At the end of the 1980's, political protests were Georgia’s response to the new doctrines of Mikhail Gorbachev, the last leader of the Soviet Union, about how to modernize the Soviet Union. While peaceful, these demonstrations demanded something radical - Georgia's independence.

In contrast to the independence movements of the three Baltic States, (Estonia, Latvia and Lithuania), the Georgian movement’s leaders concentrated more on the immediate goal of independence itself rather than on planning how to modernise the country afterwards. This short term thinking contributed to post–independence political turmoil. The first President of Georgia, Zviad Gamsakhurdia, was actually expelled from the country after only ten months of office, in January 1992. This brief period was long enough for the rebels in the National Guard and his government to claim that his governance was non-democratic and not reform-oriented.

Gamsakhurdia fled and Eduard Shevardnadze, a former Foreign Minister of the Soviet Union, returned. Most of his countrymen had great hopes for Shevardnadze. The way he presented himself then was captivating. Immediately upon arrival from Moscow, capital of the godless and now defunct Soviet empire, the former communist headed directly to church to light candles in front of the TV cameras. With the media, he was approachable, with the very un-soviet habit of smiling for the cameras. He spoke to and sympathized with former political prisoners, even though some of these intellectuals had been arrested during the Soviet period by his own order. He made frequent appearances amongst the common people and, in short, he behaved like a western politician. Many thought that his experience and international contacts would help the country to recover from its crisis. But events went wrong by the second year of his government when, in September 1993, Georgia lost a war to preserve its de facto territorial integrity. That war had dragged on for over a year and ended miserably with the cleansing of ethnic Georgians from Abkhazia, Georgia’s region on the Black Sea. According to the UN High Commissioner for Refugees (UNHCR),
around 266,000 persons, predominantly ethnic Georgians, were displaced from Abkhazia. At the same time, the death toll was nearly 30,000.

The conflict was multilateral since Russia had contributed both men and material, including ammunition and finances, to the Abkhazian side. After the war, Georgia's capital, Tbilisi, and the entire country sank into a deep chaos - the economy collapsed as a severe energy crisis resulted in regular utility cuts to both residents and business and the level of crime soared. There was a social disaster as the very system of governance became paralysed: the average pension sank in value to less then three US dollars/month while people lined up all night in front of bakeries to get a single loaf of bread, lighting fires in winter to avoid freezing.

Criminals dressed in military uniforms roamed the streets robbing citizens. The population was rapidly impoverished and forced to live off their savings because no jobs were available; the factories had been looted, their value squandered. One result was large-scale emigration. People went abroad simply to find jobs and provide for their families. Despite the lost war, Shevardnadze, who was first elected Chairman of Parliament and then, in 1995, President of Georgia, was able to enforce some stability; crime decreased though the condition of the economic, social, educational and penitentiary systems was extremely worrisome.

Corruption was rampant and reached previously inconceivable levels. It penetrated all branches of power. The situation in the penal institutions was the worst ever: besides inhuman conditions, torture, 'strange' suicides and homicides were reported. The prisons were overpopulated; prisoners even began sleeping in turns since there was not enough space for everybody.

Meanwhile, Shevardnadze survived two terrorist attacks, one on August 29, 1995 and the other on February 9, 1998. In a subsequent interview, he recounted how Boris Yeltsin, President of Russia, had called him and, after inquiring about his health, advised him to turn down a proposal to construct an oil pipeline through Georgia (via Baku-Tbilisi-Ceyhan) which was designed to deliver oil from the Caspian region to western markets without crossing Russian territory.
At the same time, Georgia's integration into western institutions proceeded apace. The World Bank and IMF sent missions to Georgia and the nation become a member of the UN, the Council of Europe and the OSCE. Agreements were signed with the EU and NATO. Integration on this scale has pushed ex-Soviet countries towards institutional and other types of reforms, and Georgia was no exception.

After the collapse of the Soviet Union, a constitution was introduced that guaranteed rights to private property and a media free from censorship. The first free, multi-party elections were conducted. Despite the fact that Georgia had reached a certain level of stability under Shevardnadze, the citizenry was dissatisfied by the levels of social and economic development, election irregularities, the high crime rate and pervasive corruption. Discontent with Shevardnadze's government steadily increased, reaching a climax after the Parliamentary elections of 2003, when people openly demonstrated against electoral fraud. It seemed like the entire population took to the streets. This wave of protest became the "Rose Revolution", which brought in a new government, led by a young, US educated (University of Columbia) President, Mikhail Saakashvili, a young Prime Minister, Zurab Zhvania, and a young Chairwoman of the Parliament, Nino Burjanadze.

With revolutionary rapidity and enthusiasm, this young team started implementing reforms in virtually all areas – defence, education, law enforcement, the penal system, healthcare and the social sector. Due to their administrative improvements, budgetary revenues increased by an amazing amount - about five times in less than three years. A serious effort to combat corruption started and dramatically reduced 'street corruption' such as the shakedowns by traffic police and the bribery of low level public officials. Large scale privatisation was carried out under the slogan: we sell everything, but conscience. The administrative system was streamlined, only 13 out of 18 ministries survived while over two dozen dysfunctional state departments were abolished. Between 2003 and 2005, the number of public servants was halved. The business licensing and permitting system was simplified; the previous number of 909 licenses was slashed to just 109.

These efforts paid off in economic growth, which reached 12.3% in 2007.
But at the same time, the military budget grew to over 20% of the total budget by the same year.

The first alarm bells sounded when Parliament, in a revolutionary pace as well, passed changes to the Constitution that granted excessive powers to the President. In addition, society was becoming increasingly irritated by the live broadcasts of the arrests of former Shevardnadze-era officials and businessmen. And the redistribution of property, carried out on a very large scale, was frequently implemented unfairly, with owners being pressured by the authorities.

Opposition to these violations of property rights built up in society. The demolition of an apartment building on one of the central streets of Tbilisi (Tabukashvili St.) and transfer of the land to another party without any legal justification triggered large protests. Revolutionary excitement had resulted in the concentration of power in the hands of President, as well as the disproportionate influence of his party – the National Movement. For example, during elections, electoral regulations were violated and administrative resources diverted in favour of the National Movement. Signs of an authoritarian tendency were evident in several cases when the authorities went beyond the law, and these cases earned heavy public criticism, especially when the crimes of high ranking officials were inadequately prosecuted by the state. For instance, in the beginning of 2007, several senior police officials murdered a young banker, Sandro Girgvliani. Following huge protests, four high ranking police officers were indeed arrested and sentenced to imprisonment but there remains a reasonable doubt that not all the persons involved in this crime were in fact punished.

Despite the fact that corruption has significantly reduced in comparison with the Shevardnadze period, political dishonesty is still present. At the same time, the independence of the courts is not ensured, and this has been confirmed by studies conducted by both Georgian and international experts. The balance of political power has tipped too far away from Parliament towards the President. The President has the authority to dismiss Parliament and call early elections in certain circumstances. The President is also entitled to dismiss the Government, including the ministers responsible for
enforcing laws, without the consent of the Prime Minister.

Media face new challenges. The legislation providing for freedom of speech is very liberal but the authorities have tried to control both the print and TV media. Recently, the government has been trying to manipulate the print media by promoting government controlled distribution companies and limiting the others. In TV, close associates of the authorities own several national channels and the takeover of one which had criticized the government has prompted large protests.

In November 2007, the authorities used force to disrupt an opposition-led demonstration and took over Imedi TV during a live talk-show. Imedi TV belonged to a rival presidential candidate, a billionaire named Badri Patarkatsishvili. Legal manipulations were used to transfer ownership to friendlier hands though Patarkatsishvili’s wife, now a widow, is still trying to recover her property in court.

“Freedom of Speech” has become one of the protest slogans. Two large demonstrations, of about 100,000 Georgians, occurred on April 9 and May 26 of this year while smaller street protests have continued over the summer. The demonstrators were also demanding early parliamentary and presidential elections and were protesting against violations of human rights.

By that Georgian society demands more genuine forms and pace of country’s modernization towards western standards. The grave results following the Russian-Georgian war of August, 2008 and serious security challenges posed by the neighbourhood such as threats to the territorial integrity and ethno-political conflicts, make the country’s Western bid even more determined. Recent polls indicate that a vast majority of the population favour joining the EU and NATO (79.2% & 70% respectively) proving that Georgians see their country as a member of the family of developed, western nations.
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He is the Editor-in-Chief of one of the leading daily newspapers, “Resonance”. In 2001, Media Forum/Georgia gave Dr. Tughushi two awards; for “Editor of the Best Newspaper” and for “Author of the Best Analytical Article”. In 2005, the International Union of Journalists gave him their “Development of Professionalism and Justice in Media” award. In 2008, Dr. Tughushi was elected the Chairman of the Press Association of Georgia. He is the author and co-editor of a number of publications in the sphere of media and conflict resolution.
“The transition failed to secure fundamental human rights; for example, most people are still in favour of the death penalty and harbour some level of prejudice against minority groups.”
Did hungarian liberalism fail?  
What two young liberals think

Viktória Takács

History - The lack of deep liberal roots

Liberalism began to be influential in Hungary in the mid-19th century, but was the leading ideology only during the short period before and after the revolution of 1848. After the end of World War I, liberalism remained active in Hungarian political life but was overpowered by two mass, radical movements; the Nationalists in the 1930's, and the Communists after 1949. I would say that liberalism only appeals to a narrow intellectual strata of society, and could remain influential only while the voting franchise was limited to about 10% of society. Liberalism had and still has support from urban intellectuals, but its rural basis has always been narrow and weak. This lack of widespread support is quite obvious now after the transition to democracy. This transition failed to secure fundamental human rights; for example, most people are still in favour of the death penalty and harbour some level of prejudice against minority groups.

Rupture in the party

The main liberal party in modern, democratic Hungary is the Alliance of Free Democrats - Hungarian Liberal Party (SZDSZ), founded in 1988 from elements of the illegal democratic opposition to the Communists. In the late 1990's, the unity of SZDSZ eroded between the party's two primary parts - the right-wing economic liberals and the left-wing human rightists. Unfortunately, this internal struggle was played out in the media, which opened the party to external attack and discouraged its voters. Support for the opposition within the party grew steadily during the last decade and in the narrow election of 2009, Gábor Fodor, as party president, brought on open rupture between the party leadership and the parliamentary group.
Lack of new messages

SZDSZ’s political message was also moving in two different directions, one of them towards the protection of human rights, the other towards economic liberalism, mainly by reducing taxes. Although the party was in government three times (1994-98, 2002-2006, 2006-2008), it has not produced significant results in either human rights or economic liberalism. Tax reduction proved a short-lived achievement and an overall reform of the tax system has yet to be carried out. Although the Ministry for Economy was lead by Liberal ministers since 2002, their only achievement, as perceived by the public, was the construction of highways. Highways are a significant factor in economic progress but, in Hungary, also a major source of corruption because parties use construction companies as a source of campaign finance.

On the human rights issues, the party has had only partial successes. The party helped abolish mandatory military service but the Socialists were successful in presenting that as their own achievement. The goal of guaranteeing same sex couples the same rights as heterosexual married couples has been only partially achieved. During the recent debate over 'hate speech' laws, liberal intellectuals and politicians have divided over to what extent freedom of speech can be restricted.

The party also failed to provide a solution for the re-integration into society of the losers of the transition. The most deprived underclass, in which most of the Roma minority lives, has been abandoned. The only policy where the Liberal party made real efforts for their re-integration is educational policy. Unresolved problems have given rise to extreme right-wing populists, such as the “Movement for a Better Hungary” (Jobbik) party (founded 2003).

The party's efforts to attract new voters by promoting green values proved short-lived and unsuccessful. Although the Minister for Environment for 6 years was a Liberal, he was practically invisible to the public, and the subsequent term of the otherwise successful Gábor Fodor as minister was not enough to enhance the party’s “liberal–green” image.
The reasons for the latest unsuccessful election results

Electoral support for SZDSZ has declined constantly since the democratic transition. SZDSZ was the second largest party after the first 1990 elections but their support dropped about a quarter in the subsequent 1994 election. After 1990, the consequences of an economic recession and privatization encouraged a kind of public nostalgia for “the peaceful '80's”, when everyday existence was stable, when there was no unemployment, and inflation was barely perceptible, feelings which bolstered the former Communists, the Socialist Party (MSZP). When SZDSZ was forced by necessity into their first coalition with the MSZP, they lost most of their supporters. For the party voters whose support was based on anti-communism rather than ideology, this coalition was considered treacherous.

Since 2002, the party has barely been able to stay in Parliament even though they benefited from their position as a “swing” party during the elections of 2002 and 2006. Both Liberal and Socialist voters were aware that without the SZDSZ, the MSZP would be unable to achieve a Parliamentary majority. Additional, non-ideologically based support came from voters offended by the tone of Prime Minister Orbán (1998 to 2002), who ruled without the Liberals or the Socialists. This resentment towards the conservative and nationalist parties proved to be successful for the SZDSZ since the party was considered both a safeguard of human and minority rights and a guarantor that the political left could remain in government. Now, neither the “swing” nor the resentment arguments for voting for the SZDSZ apply any longer since the MSZP hasn’t got a chance for a third term in government.

After 20 years, the party's last supporters, its ideological base, are turning away. One reason is that since 2002, the SZDSZ has spent 7 years in government with the Socialists yet during this period, they failed, despite several efforts, to display a political profile independent of socialism. Another reason is that another party has moved to appeal to the liberal vote, the Hungarian Democratic Forum (MDF). The MDF, previously considered a conservative party, has broadened its appeal to liberals by heading its 2009 Euro-Parliament list with a prominent liberal economist, Lajos Bokros. Bokros' victory showed that the MDF was a viable alternative for economic
The liberalism of the 1980's was not a well-defined system of ideologies, but rather a complex, heterogeneous system of liberal notions. Thereof it was not self-evident what liberalism meant at that time. The lack of a coherent liberal ideological system can be depicted in the changing role of liberalism in the past years, not to mention the current decline of liberalism.

The first two decades of liberalism in Hungary were clearly the transformation of self-organized groups into political parties that all lacked a coherent ideological background. The results of the first democratic elections showed high societal support for liberalism in Hungary. At this time, liberalism was seen as an anti-communist notion. The anti-communist notion was clearly a democratic value. Democratic values are liberal ones; however they are far too imprecise to create a coherent system of values. Interestingly, this anti-communist, anti-socialist notion was also questioned, when the Liberal party joined a Socialist coalition in 1994.

One could argue that this coalition marked the beginning of the decline of the liberals; however, in my opinion the coalition was only a partial effect,
the main problem was that the Liberals failed to establish a coherent ideology and failed to identify themselves. The lack of self-identification is also material if we regard the transformation of the other liberal party, of Fidesz. Fidesz after the first elections went through a self-identification process and transformed itself into an internally coherent conservative party. In my opinion, the Liberals simply have never started a self-identification process and have therefore kept their heterogeneous political background. Their confused ideology has kept the Liberals politically paralyzed, and it is interesting that no capable effort has been made since 1994 to clarify the party’s ideological background.

It could be argued that an ideological basis was not essential for success as long as the Liberal party had strong leadership from a small elite group. This strong leadership, together with intense marketing campaigns, was enough to get into the Parliament. However, maintaining representation has always been a significant challenge for the party. The biggest problem was that the leadership failed to concentrate on developing future voters, which became a critical question when Gábor Kuncze, the President of the Liberal party, left his position. The lack of a decisive leader raised the ideological questions again, and the party became two-sided, as an economically liberal group fought with a social democratic, green wing for the presidency. The problem was that instead of clarifying the party’s ideological basis, the two sides concentrated on the fight itself. At the same time, an external problem also arose when Ferenc Gyurcsány became the Prime Minister. Mr. Gyurcsány was highly supportive of liberal reforms and many political analysts saw the new PM as more liberal than most of the Liberal party leaders. However, in reality, Mr. Gyurcsány wanted to keep the privileges of socialism and that resulted in a deep political rupture between the two parties. This rupture together with internal struggles resulted in an unprecedented crisis for the Liberals.

It is not surprising that without a clear ideological background, the party is losing voter sympathy and now it would be a miracle if SZDSZ’s vote reaches 5% at the next election in 2010. After SZDSZ got only 2% of the vote total in the last Euro-Parliament election, and hence lost its seats there, the party has lost the confidence of many supporters, who are now considering vot-
ing for other parties like the Hungarian Democratic Forum (MDF) or Politics Can be Different (LMP). After this tragic defeat, the party fell apart; many of its founders abandoning ship while Gábor Fodor, the party president, also resigned. We can assume that the crisis is deepening because the party is now concentrating on its internal battles.

How can we manage to solve the difficulties of the Liberals and strengthen the political representation of liberal thought and tradition? I would argue that there is not only one way to think about liberalism and liberal politics. It looks like that the main problems that SZDSZ has are its lack of a coherent liberal ideology and the end of the era of cooperation between the social-liberals and the conservative-liberals.

The Liberals contributed a lot to the Hungarian democratization process and to the transformation of the socialist economy to a capitalist, market-based one. The intellectual arguments of liberal thinkers facilitated the nation's acquisition of mainstream European political views and the institutionalization of support for these European values. Without the Liberals, Hungary's transition process would have been less successful. After the successful end of the transition and after many years in coalition with the Socialists, the impetus of the party has slowed down and the number of new ideas of the liberal intellectuals decreased. They seem to have permanently lost contact with the people. It could happen that SZDSZ, one of the strongest liberal parties in Central and Eastern Europe during the last two decades, will soon disappear from the Hungarian political arena, but since liberal political thinking will remain important, we can expect one or more new political parties will arise to represent liberal values in Hungary.

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Robert Zemaitis

“Latvia’s society made a radical shift in its mode of living, from socialism in a totalitarian regime to democracy and capitalism. People had to adapt to a new environment very quickly, some did while others failed completely.”
Liberalism in Latvia – from one crisis to another

Introduction - looking into the pages of history

The idea of an independent Latvia was never forgotten during the fifty long years of Soviet occupation. The desire for independence spread rapidly when the Soviet Union entered its final crisis in the late 1980's, when people started to understand that the old system could not work anymore. This was a time when events called up deep feelings from nearly every Latvian, an ideal time for new and liberal ideas. The first signs of liberalism were when every Latvian inhabitant actively took part in events, could express his thoughts, defend one or another opinion, join huge demonstrations and countless meetings. Those who were young in those days remember the endless concerts on the stage of Latvian Television. Society was in an era of extreme passions, of revolutionary changes in society, government and the economy. When you wake up this instinct for freedom in a nation, you can't stop it.

1989 – Freedom ahead

Twenty years ago, when I was five years old, the first informal organizations to promote freedom appeared, their main task was to criticize the ruling regime. Soon, a "Popular Front" was formed, its goal - independence. As in any liberal democratic society, there are opposing views and those who wanted to keep the Soviet Union formed their own organization, “Interfront”.

There was a widespread revulsion of both spiritual suppression (occupation, censorship) and material privation (the “deficit” of consumer goods, the chaotic and unfair distribution of wealth). In every revolution, there is a point where the discussion of high ideals – freedom, independence, unity of the people – crystallizes into a vision, and Latvians saw a vision of western moral values and a materially abundant lifestyle – the “American Dream”.

There were two ways for Latvia to regain independence: the parliamentary method, in which ruling authorities, the Soviet Union, granted it, or the liberal method, according to international law. This second way was based
on the fact that since the de facto occupation of Latvia in 1940 was illegitimate, de jure, Latvia still existed and its people need only restore their former republic. When the "Popular Front" won the March 18, 1990 elections for the Latvian SSR Supreme Council, they began to 're-establish' the Republic of Latvia.

The Soviet occupation ended and Latvia became an independent country, in which its people decided their own fate. Society made a radical shift in its mode of living, from socialism in a totalitarian regime to democracy and capitalism. People had to adapt to a new environment very quickly, some did while others failed completely. The "Popular Front" youth wing was very active, involving kids as young as I, excited by the new Republic's new holidays, to university students, who could debate the question that had now become urgent – "What will happen now?"

"Latvia's Way" – the path to liberalism?

Unfortunately, when the USSR collapsed, one of the independence movement's ideals, Latvian political unity, started to fracture into many political parties. Society also divided as the gap between rich and poor widened. New worries appeared – "financial survival" and ethnic conflict.

"Latvia's Way" (LC) was a liberal party at least until it formed a joint party with the right-wing "Latvia First" Party in 2007. Latvia's Way was a member of Liberal International and the European Liberal Democrat and Reform Party. It described itself as "a liberal party defending a person's freedom to shape his own life". Latvia's Way was founded on September 25, 1993, a time soon after the fall of the USSR when what one commentator, Daunis Auers, described as "the ideological victory of liberal democracy and capitalism over communism and other –isms".

Latvia's Way dominated Latvian politics for a relatively long time; from 1993 to 2002, it was the only party in all eight government coalitions. It also provided four of the Prime Ministers and more ministers than any other party. From its very beginning, LC served as an umbrella organization for three diverse groups (i) émigré Latvians (largely politically conservative and
nationalist); (ii) Soviet era nomenklatura and (iii) “Club 21” (representing the new political and economic leaders). Its diverse composition made it radically different from other parties of the early 1990’s, which were usually small groups of like-minded individuals. The problem of developing a cohesive political identity was tackled by the rapid adoption of a liberal ideology. Indeed, at its first Party Congress in 1994, the LC leadership announced that it had applied for membership in Liberal International.

How did the LC define liberalism? Liberalism was interpreted as individualism. It was used to explain away conflicts and differences that arose from the diversity of its members. Thus the LC choose liberalism specifically because of its flexibility – potentially, there many different interpretations. From the very beginning, the LC’s approach has been to adopt the best features of the different systems found in the UK, Canada and the USA. Latvia’s Way is a typical pragmatic “manoeuvre party” whose right-wing programme may be modified in practice to work in government with right, centre and even left-orientated parties. Thus, the LC initially adopted liberalism more as a political identity to recruit voters rather than a means of defining their policies.

The party programme

The party programme of Latvia’s Way, before its merger in 2007 with the Latvia First Party (LPP), urged that government be kept small but seemed to have as its first priority government support for pensioners, the poorest part of Latvian society. The programme supported discounts for pensioners, especially in public transportation and health care but, on the other hand, was against early retirement. The fall of the Soviet Union brought enormous unemployment, mostly among the older generation, so the LC supported retraining these people so they could get jobs, instead of pensioning them off early. The LC believed that health care should be available to all, financed from the national budget but did not propose mandatory health insurance. The programme said that alcohol and drug addiction was a serious problem, not only in amount but in quality, since there is an uncontrolled trade in hazardous, low-grade alcohol. The party supported alcohol and cigarette taxes at higher EU levels, and stricter licensing of alcohol sales.
Education policy was to support modernization and raise teacher salaries. LC supported an equal opportunity policy towards University study via state loans, whose balance would be forgiven if graduates worked as teachers or in health-care.

Latvia's Way did not represent any particular ethnic or linguistic minority. There are other parties, such as "National Harmony" and "For Human Rights in United Latvia", whose main purpose is to protect the rights of Russian-speaking minorities. These parties' programmes refer to standard leftist methods such as stronger regulation and increased government involvement in welfare issues but, on the other hand, they advocate the particular interests of the Slavic minorities in language use regulation and education.

Minority rights and language policy are important issues in Latvia due to the Soviet occupation and its aftermath. The "re-established" Latvian state granted automatic citizenship to those individuals born before independence (August 21, 1991), citizens of the former Republic and their direct descendants, but not to people who moved to Latvia in the Soviet era, the vast majority of them Russian speakers. In 1992, a series of additional laws made Latvian the sole state language. It could be argued that a more liberal policy would have been to maintain Russian as a state language but in the long term, this would probably have exacerbated ethnic tensions by maintaining a cultural division between Russian-speakers and Latvians. Moreover, Latvian politicians feared that Russian would eventually displace the Latvian language, which is a key identity point for the Latvian nation. This fear is understandable since, from my personal observation, if there is a meeting between a Latvian speaker and a Russian speaker, than their conversation will be in Russian. A classical liberal minority policy would emphasize the equality of all people before the law, individual freedoms to enable each inhabitant to participate in civic life, and respect by the majority for minority rights.

Although Latvia's Way is oriented towards ethnic Latvians, and its base is nearly all Latvian, it adopted a moderate minority policy. Its first electoral program in 1993 proposed granting citizenship to Russian-speakers gradu-
ally, based upon individual language fluency. Latvia's Way viewed non-citizens as potential citizens, capable of being integrated, while the radical right viewed the non-citizens as occupiers who should be forever barred from citizenship. Latvia's Way followed a cultural form of nationalism, which made citizenship contingent upon integration into Latvian society through the acquisition of language skills, and has also been more pragmatic and willing to reach compromises. Daunis Auers thinks that Latvia's Way adopted "a liberal policy in a Latvian context", holding the political middle ground. LC's support of individual, rather than collective, rights in terms of acquiring citizenship, is a classic liberal position.

So why have I decided to join what is now called the “LPP/LC”? Ideologically, there is no such thing as “perfect” in politics but the LPP/LC combines the best qualities of liberals and conservatives. Pragmatically, the answer is pretty simple – potential. The party’s organisation is good and its leaders, Ivars Godmanis and Ainars Slesers, excellent. These two proved themselves in the latest EU/municipal elections, where in the capital, Riga, LPP/LC took 15%, or third place, the best electoral result since the mid-90’s.

An EU policy that promotes freedom

Latvia’s accession to the European Union, as well as membership in the World Trade Organization and a host of other international organizations, has proven that the Latvian economy has been converted from a centralized, Soviet-type to the open market. However, corruption has had a negative economic impact by discouraging foreign investment and reducing state revenue.

The earliest economic policy pronouncements of Latvia’s Way were blatantly populist and promised the impossible if elected; for example, to double the income of every Latvian family within twelve months. The party’s first election manifesto continued this populist theme, calling for pensions to be hiked and universal health care provided through the introduction of obligatory health insurance, as well as more liberal ideas like rapid liberalization and privatization. Obligatory health insurance has yet to be introduced but privatization was accomplished, amid a lack of transparency and credible
accusations of political corruption.

The party programme's EU policy priorities were integration into European economic structures and an active role in the World Trade Organization. Latvia is a small nation, dependent on the European and world markets. The party also promised to do everything necessary to bring in the Euro, reduce inflation to 3% and reduce unemployment. They made the usual promises to more effectively control the national budget.

Both Latvia's Way and the other liberal party, the Latvian Democratic Party, claim that their policies benefit the middle class. The Democrats, however, offer good solutions for that, like lower tax rates for people with lower incomes, while Latvia's Way seemed to lack policies to encourage the growth of the middle class.

Latvia's Way, like most parties, has supported the orientation of foreign policy towards the West. Integration with the European Union and NATO was a priority for all Latvian governments since 1991 and was achieved in 2004. At the same time, Latvia has a difficult relationship with Russia largely because of the citizenship and the language policy issues. Latvia's Way has definitely pursued a liberal foreign policy agenda while it monopolized the foreign minister's portfolio from 1993 to 2002. These liberal foreign policies had important domestic economic benefits by helping deregulate the Latvian economy, lower tariffs, increase competition, and increase personal freedom via the right work and travel in the EU. Moreover, support for EU accession shaped domestic policies too, since, the EU’s conditions for accession forced Latvia to fulfil certain human rights, democracy, and economic criteria. The party programme of Latvia's Way emphasized not only integration in EU, but also stressed the importance for security of promoting good relationships with other Baltic States and with Baltic Sea region states, like Scandinavia. It also promised to increase visa-free regimes with even more countries.

The present and the future

Today, after 18 years of independence, Latvia has become a responsible
member of the European Union and NATO. However, the current economic crisis has revived some of the problems and attitudes encountered during the early 1990's. As economic growth in the Baltic States, especially in Latvia, was rapid, we are now suffering a rapid decline. Compared to the good years (2004 – 2007), when national wealth was increasing, the problems of any survival or thoughts about future collapse are on people's minds. The fear for the future wrought by global financial crisis, just as in the period after independence, makes people want only some guarantee or safety, that they will have work tomorrow and be able to send their kids to school. The wealthier among us have broken dreams while the less fortunate face a struggle for mere financial survival. Most people will never understand that we should seek for answers for our problems in ourselves, not in government.

What is still ahead? Maybe this is a new era and new golden age of liberal-democratic policy, maybe not. But whatever the answer is, we still have to protect the main idea - freedom.

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Jurgita Choromanskyte

“In Lithuania, the floor is open for a truly liberal political party to step forward. The people demand, and the State requires, true liberal ideas, values and policies.”
“If liberty and equality, as is thought by some, are chiefly to be found in democracy, they will be best attained when all persons share in the government to the utmost” - Aristotle

**Liberal democracy and its principles will remain the dominant political modus operandi**

In many countries with a long experience of representative and participatory liberal democracy, the policy making process occurs within a framework of a long tradition of extensive citizen involvement. The Baltic countries of Lithuania, Latvia and Estonia, started down the road to an open, pluralistic, transparent, and accountable democracy only twenty years ago. Since the late 1980's, the introduction of liberal democracy and its principles has become the dominant political modus operandi. Today, the Baltic States are described as successful countries, but they still lack, twenty years on, effective democratic procedures for citizens to become involved in policy making.

An article on *Eurasianet.org*, published in 2005¹, has a wonderful summary of the Baltic States' unique democratic history. “Three of the most Western-leaning states of the former Soviet Union were the fastest to shed their Soviet ‘skin’ to launch the process of democratic re-organisation. Latvia, Estonia and Lithuania, absorbed by Moscow only in 1940, even during Soviet rule stood apart from the rest of the republics socially, economically and historically. And while numerous post-Soviet problems still remain to be solved, these states have been more successful at becoming westernized. Their refusal to associate with the past is exemplified by their desire not to be part of the Commonwealth of Independent States, a loose political affiliation of the former Soviet republics with Russia at its centre”. I would add that their rejection of the past included the setting of the strategic long term goal to become members of both NATO and the EU, which they managed in 2004, a surprisingly short period of time.

I could go ahead now and write an adoring article about Lithuania’s accomplishments since independence regarding Euro-Atlantic organisations, the establishment of a market economy, etc. However, others have written on these topics, so many that a year would not be enough to read them all. Also, it often seems to me that having accomplished these goals, Lithuania finds itself lost, without a strategy for further development. Therefore, this article will concentrate on something I know well, Lithuanian liberalism, and on the current problems which need to be solved before Lithuania can call itself, and be called by others, a truly liberal and western democracy.

The maxim of “One for one, and the state for all”

Liberal democratic sentiments existed among the Lithuanian people even under the Soviet occupation regime. Some Lithuania intelligentsia, mainly conservatives, worried about these opinions because, in their minds, liberalism was synonymous with agnosticism or even atheism. Despite this mistaken interpretation, liberalism had aroused a feeling that freedom, along with independence, democracy and the market economy, is the dimension without which the future of the Lithuanian people and State could not be imagined.

Today, Lithuania faces two crises, one of political ideologies, the other of politics itself. It can be illustrated by this paradox: the generation of Lithuanians who were forced to flee the country in World War II, though homeless and in a strange land, were more optimistic about their post-war future than the Lithuanians of today are, at home, at peace, in an independent democracy with international security guarantees of a kind previously unimaginable.

How can we explain the disappointment amongst Lithuanians today? First, one must understand that for the past 20 years, Lithuanians have lived through more political, economic, and societal changes than ever before in modern history. Multiple opinion polls surveying different topics show that people are, in general, dissatisfied with the quality of their lives and have few expectations for the future. In fact, many are disappointed to the point of stating that life under the Soviet regime was much better than
it is today and will not easily improve, especially considering today’s economic hardships. Thus, people trust and rely on no one but themselves, at the same time demanding extensive state support and financial aid. This is a major obstacle to the transformation of civil society and the country’s democratization. The maxim, “One for one, and the state for all” will lead a modern society to nowhere but decadence. People ought to understand that life would be much better, if only each and every person acted for the sake of the common good. Every party would win, if only they cooperated. Before cooperation can begin, though, each party needs to not only trust the other, but feel trusted as well. Responsibility and accountability are the watchwords for today and for the future.

The “inflation” of Lithuanian liberalism

In 2009, a book was republished, a book written fifty years ago to commemorate the 100th anniversary of the birth of the man I consider to be the founding father of Lithuanian liberalism, Vincas Kudirka. This book shows what too few Lithuanians today know, that liberalism has comparatively solid intellectual and cultural foundations in our country. Despite the “golden decade” of the 1990’s, when liberal policies were widely popular in Lithuania, liberalism’s greatest problem has been and still remains political and ideological weakness. There has been a distinct failure to put liberal values into practice and a fatal inability to draw mature conclusions from episodes of unsuccessful leadership.

Three years ago, Lithuania, with just over three million people, had four political parties bearing the term liberal in their names: the Liberal Centrists (LiCS), the Social Liberals (NS), the Liberal Democrats (LDP) and finally, the newest, the Liberal Movement (LRLS). If only one party calling itself liberal had really committed itself to implementing liberal values, the situation would have been a lot less complicated. These days, one can read political commentaries stating that liberalism in Lithuania has limited itself to “e-liberalism”\(^2\). This means that even though the liberal parties’ political programmes and statements resemble everything from orthodox up to extreme

liberalism, nevertheless, core liberal policies, in practice, are either rarely implemented or, even worse, are opposed.

Therefore, under these circumstances, it is no wonder that liberal-minded voters are therefore forced to brood over the puzzle of how to distinguish the actual liberals from the charlatans. Not surprisingly, many liberal voters, taken aghast or disheartened by such a state of affairs, tend to move towards the conservative party. Considering this, I can heartily endorse this observation by a prominent thinker, Leonidas Donskis: “the inflation of the term liberalism is a fact in Lithuania and we are left with the option to face this reality. If somebody had a goal to corrupt the name of liberalism and make it into a political cartoon, then this goal has been reached, and rather successfully, for a number of years to come now.”

In Lithuania, the floor is open for a truly liberal political party to step forward. The people demand, and the State requires, true liberal ideas, values and policies. True liberals should be the first to defend freedom – of speech, mind, religion, creation, expression, information, association and individual dignity. True liberals should remain unwavering critics of economic and political centralism, capitalism overrun by monopolies, uncontrollable state bureaucracy and any sort of arbitrary power. True liberals should prioritize their policies to promote liberal civic education and critical thinking in schools and universities. Only one of the previously mentioned liberal parties, the Liberal Movement (LRLS), deserves to be called liberals. However, even they have yet to earn the adjective “true”, especially considering how modestly they promote liberalism, often sacrificing core liberal values for the sake of the stability of the conservative-led ruling coalition.

The quest for politically and financially decentralized local governments

I would like to return to this article’s opening theme, how to lay the foundations of a representative and participatory liberal democracy with extensive citizen involvement. As a liberal and a city council member of the third largest city in Lithuania, Klaipeda, I am an avid supporter of local democ-

racy and citizen involvement in decision making. For my bachelor thesis, I carried out a study on the topic of decentralization and civil society. The recommendations I made then are still valid today because so little has been accomplished.

In all of “New Europe”, Lithuania is considered as having the weakest institutions of local self-government and is the only EU country with no regional self-government. Furthermore, decentralization has not proceeded far and its territorial administrative reforms are unfinished. In 2001, the quality of Lithuania’s local government system and conformity to the European Charter on Local Self-Government was examined by an expert group from the European Council. They concluded that while Lithuania’s self-government system complied with the Charter, it must be further developed and the often conflicting and problematic relationship amongst local and central governments must be better managed.

Even though there is a consensus in Lithuania to decentralize self-government, the motivation for, and expected benefits from, decentralization are diverse and sometimes incompatible. Lithuania’s civic society and governmental institutions have not yet reached the level of development of those nations with long democratic traditions, thus there remains serious doubt whether further decentralization would really bring the benefits expected or just worsen the current situation. However, building a state is a never-ending process, marked by accomplishments and failures, and as the country progresses it should not belittle its achievements but should learn from its mistakes. Therefore, in order to have a successful decentralization reform, a thorough strategic plan with detailed implementation process methods and milestones should be created first.

*Lithuanian democracy faces a number of challenges*

A quote from Eurasianet.org nicely summarizes the challenges ahead: “The Lithuanian people, starved for political freedom, eagerly embraced democratic values after the restoration of independence. The majority of the population, however, had vague concepts of how democracy should really work. Nevertheless, there was hope that once the democratic “floodgates”
opened, the ensuing flow of political freedoms would usher in a new order of the day. What did not happen from the start, and what is only now slowly becoming apparent, is that civil society lacked proper education about even basic democratic principles."

Lithuanian civil society lacks both interpersonal and institutional trust, an indicator of a growing crisis in politics. Trust is a moral resource crucial to the development of a mature society. Thus the governmental institutions, non-governmental players and individuals should concentrate on the building of a relationship of trust among them. In order to build the foundations for a strong relationship, first of all it is necessary to change in principle the relations between the people and the state on the one hand and the citizens and the authorities on the other. To restore public confidence in the state, the institutions should be the first to change; there is an urgent need for transparency, publicity and openness of procedures. If politicians and public servants demonstrated moral responsibility, it would help restore public confidence in them. A good start would be Codes of Ethics for officials which are put into practice, not merely written on paper.

Lithuanians also lack information about their democratic institutions, which gives rise to a lack of trust, alienation from government institutions, and weak civic participation in political decision making. In order to improve this, projects and activities to prompt citizens to learn more about government institutions and democracy should be initiated. The media can play a vital role here, but at present they practice journalism at a low level by acting as a vehicle for increasing political conflict and concentrating on sensationalism and negativism. The majority of citizens develop their opinions through the media; therefore, journalists should be building relationships and understanding between two alienated groups, the governing class and the governed. And please do understand me correctly, I am not talking here about media censorship, what I am talking about is the liberation of the media from the kind of commercialism that makes them dependent on those who can pay for favourable coverage, who "show them the money".

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4 http://www.eurasianet.org/departments/insight/articles/pp010305_pr.shtml
The future of Lithuania lies in the hands of its youth. Youth leaders can and should take an active role in promoting of tolerance, filling in the gaps between state institutions and the civil society, overlooked by the state and the media. Youth leaders have the power to break those stereotypes and prejudices on both sides of the dividing lines through promotion of direct communication and direct contact among politicians and citizen groups. But at the same time, youth leaders have to be given opportunity and grounds for such activities. Citizen education at schools can be one of the means to developing young leaders' awareness of liberal democracy, also to achieve the public's increased involvement and participation in policy-making. Policy-making after all is not merely the domain of politicians and public servants as it is often understood. It is the public arena of civil society as a whole.

Conclusion

I was 7 when my parents together with hundred of thousands stood in the “Baltic Way” holding hands in a continuous line from Tallinn to Vilnius to protest the Soviet occupation of the Baltic States. I was 10 when I had a chance to witness the bravery of my people proclaiming the restoration of Independence. Today, when we are celebrating the 20th anniversary of the beginning of the political changes and democratic development in the former Soviet States, I am 28 and have been actively participating in politics for over 8 years now. What you have read was a short personal opinion of my country’s development and its challenges to come as I happen to see and understand it with the experience I’ve gained.

Yet, I would like to conclude with the words and the question raised by someone with incomparably more knowledge and experience – by H. E. Mr. Valdas Adamkus, President of the Republic of Lithuania, in his last State-of-the Nation address:\(^5\):

“Where are the roots of distress in our society? I would say that the greatest failure since re-independence is that we have not created an open and

mature society based on social partnership. We did not succeed in keeping intact the feeling of togetherness and responsibility, which inspired us during the years of national revival and gave us strength to re-establish Lithuanian statehood. Therefore, each of us, citizens of Lithuania, must answer for ourselves: How honestly did we contribute and continue contributing to the common good of our homeland?"

Jurgita Choromanskyte was born in 1981. She is the youngest City Council Member in Klaipeda, Lithuania. At the same time, she works as an Adviser – Chief of Staff to a Member of the European Parliament in Brussels. She is an expert on civil society and government institutional relations as well as on youth policy issues. Jurgita is a member of the liberal party LRLS (Lietuvos Respublikos liberalu sajudis).
Szymon Gutkowski

“Polish parties are only developing their public relation skills, not real political programmes. This is why we have created Projekt Polska – ‘Project Poland’. We try to raise those issues that need to be changed. Our focus is on the future.”
From one big change to many small changes

Twenty years ago, a great, historic change in Central and Eastern Europe inspired thousands of young people. Many started their own companies at that time; becoming lawyers, consultants and public relations specialists. Most of these professions did not really exist during communist times. Over twenty years, these young people have developed professionally and have gathered experience. The 20th anniversary of this historic change is a good time both to look back in order to understand our current position better and to look forward in order to know where we should be going.

1989 – 2009

I am one of those many young Poles that entered adult life in 1989, when I was 19. Since then, the pace of my life and that of my peers have been similar to that of an express train. We were dropped onto the tracks in ’89 and are still running as fast as we can, we are the high speed TGV trains of Central and Eastern Europe. 20 years is a long time, but looking back it sometimes feels like just a year or two. In 1989, we did not have to ask ourselves many questions because most of the answers were obvious. Poland, Czech Republic, Slovakia, Hungary, East Germany, Romania, and Bulgaria were places where opportunities were everywhere. Talent was enough; one did not need experience or even knowledge to start a business or a new career. It was not a time for “thinking”, but for “acting”. We were all making the most of our new freedoms: economic freedom, social freedom, freedom of speech and freedom of self-expression. When we look around today and ask what has to be done in the next 20 years, the answers are much more complicated now then they were then.

It is gratifying to recall how much we have achieved. All the countries in the region are now in the European Union, a success on a historic scale. Poland, which I obviously know best, has become the 6th largest economy in the EU. It enjoys a free market, a stable currency and a vibrant stock exchange. GDP is still growing in 2009, despite the global recession. Poland is a democratic state with free parliamentary elections, free local government elections and strong local governments. Poland is a NATO member, on good terms with
all neighbouring countries except Belarus. Young Poles can work and study in most European countries. Women play an increasing role in business and political life. Gay communities have emerged from the shadows. Poland is clearly a success, a great success, although not for every Pole. The past 20 years might have been the best 20 years in the history of modern Poland.

Looking back 20 years, the change is striking. In 1988, I was 18 and remember it well. There was no real freedom of speech, though restrictions had loosened since the mid-80’s, one could still go to jail for expressing publicly what one thinks. For us, Poland was grey but the West was a paradise of colours, of colourful products seen only in parcels sent by our families “abroad”. Nice houses, good cars, great vacations, and reasonable working conditions. We all knew that every German worker had a good German car. Now after 20 years, most Polish workers can afford a good, though maybe used, German car. For Western Europeans of my age, it is probably hard to imagine the upheaval of 1989 in Central and Eastern Europe – the eruption of positive emotions, the passion to build democracy. We worked without vacations, we hardly slept. It was a long haul but it was worth it for most of us.

**Freedom and responsibility**

Since 1989, we have come to understand that with freedom comes responsibility. Under communism, most choices were made for you. In contrast, under democracy you make the decisions. For example, whom do you vote for? Or how can you help improve your children’s school? How do you provide new opportunities to the unsuccessful? In the communist economy, every company was a part of the utopian central plan. This is not the case now – if you have a choice, you are responsible for the outcome. If you vote, you are responsible for those you voted for. If they do not perform, you have to respond. Even if you do not vote, you are responsible for not making a choice. Responsibility for the common good is a new experience for us. How will we vote in the coming elections? What is essential for the development of Poland and Central and Eastern Europe (CEE)? Should we “use” the EU only for our benefit, caring only for how much European funding we get? Or should we take some responsibility for the future of the EU? Since the EU is a global power, should we share some responsibility for what the EU
does globally? These are all rhetorical questions but are new for the societies of the CEE states. So for the next 20 years, who should we vote for and which programmes should we choose? The following is a critical review of present-day Poland; many of our problems, I presume, are shared by neighbouring countries.

We still have a huge bureaucracy with complicated tax and labour laws. We have many companies that are still not privatised. We have not set a credible date for entering the Euro zone. Our civic society is weak. Surveys show that of all Europeans, we trust each other the least. Trust constitutes social capital and social capital determines the strength of civic society. Also, Poles rarely participate in NGO’s, associations or foundations, and again in this regard, we also are at the very bottom of the EU. Intolerance and xenophobia are still deeply rooted in society. The Catholic Church is strongly involved in politics. Catholicism is being taught in schools rather than being preached in churches. Suspects are kept for months without trial in prisons whose conditions are usually very poor. Who will take responsibility for change? Who will make the Polish economy more effective and Polish culture more open? Obviously, Polish parties should do that job. Unfortunately, Polish parties are only developing their public relation skills, not real political programmes. They are focusing on getting into power and keeping power. They are neglecting their obligation to create think-tanks and develop workable solutions and programmes. This is why we have created Projekt Polska – “Project Poland”. We try to raise those issues that need to be changed. Our focus is on the future.

*Liberalism in the next 20 years*

We want Poland to become a more liberal country over the next 20 years, with more economic freedom and a more open society. However, we do not use the word “liberalism”. In Poland we do not have a long tradition of liberalism. We have a socialist tradition and a Christian one. We have a patriotic tradition and, we must admit, a nationalist tradition. However, in our history there are no strong liberal movements. Moreover, nowadays any word ending with -*ism*, such as liberalism, evokes the memory of communism. It sounds too political, too ideological and too “party like”. After 50 years of communism and the domination of the Polish United Workers Party
(the communist party), Poles have developed a social allergy to words ended with –ism. Does this mean that it is difficult or impossible to promote liberal values in Poland? No. We just need to find the right words; other words that can still convey the meaning we want. This word may be freedom. Poland has a long and remarkable tradition of freedom movements. Poland did not exist from the end of the 18th century until 1914. As a result of the Second World War, we fell under Soviet domination. Our history for the last 200 years has been a fight for freedom. It was a fight for the freedom to simply be a Pole, a fight for freedom of speech, freedom to act and to organise. Last but not the least; Solidarity was created to give people freedom. Unfortunately, in the Polish language, “freedom” and liberalism do not come from one word as in English – liberty and liberalism. Freedom in Polish is wolność and not liberty.

If we ask people on the street a simple question, “do we have freedom in Poland?” they would all respond “yes, of course, we do have freedom”. Posing the question “what is freedom?” would result in a more interesting answer. Many people would probably have to think long and hard before answering. This question is where we should start. Looking forward to the next 20 years, we should understand the deeper meaning of freedom. How much more freedom do we need in the economy and for each of us? How does the freedom of one person relate to the freedom of others? We have to understand that freedom for ourselves, the majority, implies freedom for minorities. To understand that if one wants freedom for oneself, then one must guarantee the same for others. There is no freedom if women have equal rights but not equal opportunities. If religion is taught in public schools as a regular subject like mathematics then children’s religious freedom is compromised. We have to build a culture of dialogue. We have to openly discuss issues to find a common ground. Since I am free to express my views, I have to accept the right for other views to flourish in my town, on my street, in my apartment block and in the school where my kids go. Creating a "dialogue culture" can be done at the grass-roots level without politicians. It is something that we can all do.

This is why liberal communities in Poland should open a dialogue with the Catholic Church, whose role will remain strong during the next 20 years. In this respect, Poland is different than other European countries. Even if we
succeed in taking religion out of schools, the Church may remain unacceptably powerful in politics. Unfortunately, the Church will likely use its political power to oppose increasing freedom in social life, as it already opposes equal rights for gays. On the other hand, the Church plays an important, positive role in small towns and villages. It is the first place where people learn to cooperate and understand the importance of caring for others: for old people, people that are alone, the seriously ill, the poor, the unemployed, etc. Furthermore, there are already many open-minded priests who understand that when the Church becomes politically involved, it destroys its credibility. The Church could do a lot for positive social change. There is a vast common ground between the liberal values of freedom and Christian values. Finding a way to take advantage of this might both bring quicker social changes to Poland and strengthen reform movements within the Church.

We can do a lot by ourselves but other things require the attention of governments. For example, education is absolutely crucial for our future yet cannot be developed without some new decisions by government. We need a new system of educating and guiding teachers. Teachers should not only be competent but they should be open, tolerant people, able to pass on to children a spirit of cooperation, a passion for knowledge and a dream of innovation. Today's educational system will decide where we go tomorrow. That is a simple thought that many people in Poland do not understand. If there is one thing that ought to be constantly improved it is education. Two other things we also have to focus our government's attention on are innovation and technology, on the idea of a knowledge-based state. Government, not private companies, can provide the necessary legal framework and infrastructure for the innovation and technology that goes hand-in-hand with education.

Considering the next 20 years, we should remember that we are part of the EU. We have to make sure that the EU is getting stronger. We need a strong Europe not to compete but to cooperate and to thereby contribute to stability worldwide. The EU should be more active in solving global issues such as climate change, Africa's poverty and lack of water and relations with Islam and Islamic states. We need a strong and effective Europe to be a working example of an open democracy, proving that people with differ-
ent cultures, different languages, and different histories can peacefully live and develop together. The importance of a strong Europe is not understood in most European states nor is the current recession helping to change that perception. This is why countries with a living memory of communism like Poland should support a strong and free Europe.

From a historical perspective, the change 20 years ago in Central and Eastern Europe was a liberal change. It was a change from a state-controlled economy to a free economy and from a state-controlled life to freedom and democracy. Not everyone, however, perceives democracy and economic freedom as good. Naturally, a new democracy brings new unsolved issues and problems; in this milieu, populist and extremist parties can develop.

Whether based on the extreme left or the extreme right, these antidemocratic movements share certain ideas: that the sale of Polish assets to foreign companies is wrong, that the rich are responsible for poverty and that unemployment is too high. Thinking about the next 20 years, we have to find liberal, rational answers to these kinds of issues which naturally arise in a democracy. Liberals have to decide whether they want to take responsibility for liberal solutions to such problems or remain on the sidelines of mainstream political life, just giving advice and presenting their point of view. We can either offer liberal answers to the problems of an open society, of a democracy and of a free market or leave the job to the socialists, who would like to regulate the economy by giving more power to the state, and to the right wing politicians who want to solve all social issues by giving more power to the state in the area of private life. We should not fear to discuss the flaws of democracy. In countries where democracy is new and has come after 50 years of communism, voters are not yet fully aware of the mechanisms of a free market and a free society. We have to show that giving the state more power would bring problems instead of solutions. We have to promote the new rules and the good legal environment that liberalism requires. Traffic lights are an appropriate example. Traffic lights do not limit freedom; they protect everyone’s freedom to move in different directions. If we did not have traffic lights, we would certainly have more accidents. However, traffic lights sometimes result in traffic jams, but isn’t it better to have traffic jams than accidents? Bringing in a policeman to help with a traffic jam, that is, strengthening state power, could create a big-
ger traffic jam, instead what we need, from a liberal perspective, are more roads, motorways and traffic lights. This simplistic, even childish, metaphor is an example of how we can discuss liberal ideas with the people. Wherever there is a problem, our solutions should be new rules and a better, physical, legal or non-governmental infrastructure, whichever would not need state control. Eventually, the areas controlled by tax supported state institutions can be made smaller. We will not be able to shrink the state if we do not also admit that democracy brings problems that have to be solved in a democratic way.

I will discuss this using a particularly sensitive example: media freedom. Freedom has come to mass media in Poland as to all countries in the region. Media freedom may be the most crucial innovation that we had in Poland 20 years ago. It is thanks to media freedom that our democracy develops, and it is thanks to media freedom that we have social control over our government and parliament. Unfortunately, the media struggles with a clear conflict of interest because its goal of maximising ratings or the number of viewers does not, over time, necessarily coincide with creating high quality information. The truth is often compromised, either because it is not attractive or it is just too expensive to produce. Mass media creates a social environment but produces low quality information. There are many journalists and media owners who are aware of this fact – we should help them find an effective solution. We cannot leave this problem to right-wing politicians – it is better that we preserve the media as they are than to limit their freedom in any way. No state institution should be responsible for the media so how can a society demand higher quality and more truth from the mass media without compromising freedom of speech, which is a fundamental democratic right? Let’s compare this to another fundamental right – the right of ownership. While mass media only emerged in the 20th century, issues linked with ownership have been present for thousands of years. Humanity has had millennia to develop rules that regulate ownership without compromising the rights of the owner. For example, money is mostly privately owned but we understand that for the benefit of the global financial market, the supply of money needs to be regulated. Some experts would go further and argue that, to prevent the sort of market bubble and global financial crisis that happened in 2008, the world also needs to regulate the supply and terms of credit. We need similar solutions for the mass media.
But we have to remember that where freedom of speech is limited, freedom ends. What we need is more responsibility from the media for information that is being presented to its millions of viewers. It is difficult to build an informed society without access to the truth yet media today is not driven to present the nearest possible version of the truth. The internet, probably the biggest and the best innovation of the 20th century, is both a possible solution and a problem in itself. On the internet, we can find both valuable, independent views and low quality, untrue information. Together with the media community, we should encourage the creation of non-governmental organisations that will monitor the free media. We should also make people aware that when they watch TV news, they cannot treat everything shown as reality. We have to explain that it is prudent to check other sources of information. Access to the truth is a fundamental human right so we have to protect it. Understanding the importance of a free media as well as its limitations is a social change we in Poland need.

There are no easy answers for the coming 20 years. Life in Poland is better now, but it is more difficult to determine what has to be done to make it even better in the future. 20 years ago, one enormous upheaval brought the change desired, but the next 20 years will require hundreds of small changes. It is these small changes that will together constitute another transformation of our country and our region, now an open society in a strong European Union, where everyone is free to develop. We are now responsible for making these small changes.

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Nicoleta Nicolescu

“Romanian liberalism has to assume the role of the ‘re-organizer of society’.”
Romania – getting used to democracy

In 1990, Silviu Brucan, an influential Romanian political analyst, made the prophecy that “Romanians would need 20 years in order to get used to democracy.” Today, after that deadline has passed, we find ourselves in a Romania undoubtedly changed, where the freedom of speech and thought is allowed and supported, where an individual’s own property is guaranteed and where human rights are closely observed. But have Romanians really become accustomed to democracy? It is a very hard question, taking into account on one side the evident efforts of Romanians to develop a capitalist and free society, and, on the other side, the remnants of communist mentality and behaviour in both private and public spheres. Things are complicated by the fact that twenty years later, we still do not know how crucial events of the revolution which brought us freedom happened; we do not know who our liberators were and we do not know why people died. The direct result of this ignorance is disillusion, confusion, frustration, anger and even nostalgia for a world with dirty methods but a clear structure. In this context, the most dramatic shortcoming of our society is its lack of role models. Sooner or later, all public figures are compromised, it is apparently a mysterious rule of Romanian post-communist reality. In a situation like this, no wonder our young people are confused about what sort of values and role models they can rely upon.

In analyzing the democratic evolution of Romania, we will bear in mind the definition given to democracy by Ludwig von Mises, “democracy is that form of political constitution which makes possible the adaptation of the government to the wishes of the governed without violent struggles”\(^1\). For 20 years, Romanian society has preferred to understand that in a democracy, the government is obliged to solve, in detail, all the problems of its citizens. No matter what we undertake to do in life, we endeavour to take reasonable actions in order to reach our goals, but “reasonable action is distinguished from unreasonable action by the fact that it involves provisional sacrifices”. Talking of sacrifice is exactly what our public figures have never done during the last two decades. Nobody has ever dared talk about the sacrifices that Romanians would have to make in order to create a prosperous society or secure their freedom. Consequently, demagogues have had a very easy

task because they need only face a people unprepared and uneducated in matters of democracy.

Unfulfilled hopes, combined with demagogic, vindictive discourse, have led to artificial divisions in Romanian society: the poor and the wealthy, the villainous politicians and the innocent voters, the communists and the honest citizens etc., a fact which makes social cooperation almost impossible. There can be no lasting economic, social or political improvement if the normal, peaceful course of affairs is continually interrupted by internal struggles.

The inability to create a strong and efficient educational system able to properly prepare the young for the challenges of life is, in fact, the greatest failure of Romania's political class. Public education is considered by some theoreticians as the essential means of creating a homogeneous nation with a high culture. Almost all governments have considered the establishment, financing and coordination of a public educational system that is coercive, standardized, hierarchical, and a purveyor of diplomas as their primary duty. Take the example of France in 1870: after its defeat in the Franco-Prussian war, France undertook a major political initiative to establish an educational system able to create "Frenchmen" capable of victory against Prussia. For example, Prof. Lavisse's history textbooks were created to inspire children with national pride for the nation's heroes, virtues and predestined role in the world. But the creation of such an educational system requires vision, determination and patience, rare qualities among Romanian politicians after 1990.

We will examine three aspects of radical change brought by the evolution of democracy in Romania over the past 20 years: the individual's relationship to the state, to capitalism and to private property. After the democratic revolution, individuals gained value; they were no longer considered tools to build the ideal socialist society, tools which could be discarded as needed by the great cause. On the other hand, there were many elements of continuity with the old order, starting with members of the former nomenklatura themselves, who have often re-appeared at the head of new, democratic institutions but still display their old intolerance towards freedom of speech and association. The post-revolution, distinctly Romanian phenomenon of a "Mineriade", the violent actions by groups of miners whom the authorities have invited to "restore order" during civic unrest, could be considered a
“natural” result of the clash between the aspirations of the newly liberated citizenry and the authoritarian habits of former party leaders.

The perspective of the individual’s relationship to the state has been distorted by the lack of vision and will of a great part of the political class, inadequate education in the spirit of democracy and freedom, the lingering communist attitudes among all parts of society and demagogic discourse. At the core of every nation there is the citizen and the first duty of the government is to create a state in order to satisfy his or her needs. The misunderstanding consists in the answer given to the question “what are the needs of the citizens?” Do they want the government to solve their petty problems or to create a system in which they can solve their problems by themselves? Romanians preferred the first answer and political leaders saw interventionism as a “third way”, a hybrid of private and communal ownership of the means of production. But interventionism leads, in the end, to a system where government must extend its control over the conduct of all entrepreneurs, capitalists, landowners, and workers and where citizens become used to receive everything from above rather than obtain it themselves. Consequently, many citizens are still in a relationship of material and psychological dependency on the state.

Large scale industrial and technological development was begun in Romania by liberals during the interwar period and continued, but in an irrational way, during communism. Since 1990, although almost all state owned companies have been privatised, only a few were privatised transparently. Consequently, there appeared overnight many fabulously enriched people who were usually not interested in continuing their company’s former activities. Simultaneously, many of their workers lost their jobs. On the other side, capitalism has been confounded with capital consumption. As Mises showed, the former is a completely illiberal policy. “It recommends that the present be more abundantly provided for at the expense of the future. A relatively grievous disadvantage in the future stands in opposition to a relatively abundant momentary gratification.”² Combined with interventionism (wages artificially increased by government intervention or through the coercion of the trade unions), capital consumption eventually leads to a

reduction in wages because the system is impossible to sustain. The direct result is the population's general despair, frustration and, all too often, anger against the “capitalist order”.

Private property is a fundamental right protected by the Constitution and it is forbidden to nationalize or otherwise forcibly transfer property to the state on the basis of social, ethnic, religious, political or any other affiliation. Retrocession, the return of land to its original owners, has created a social, economic, judicial and moral dilemma in Romanian society because the state failed to solve this issue early, at the beginning of the 1990's. Now it has become even more complicated because property has been bought by new owners. Morally and legally, it is very hard to decide whether the once nationalized lands and houses are the property of the former owners, who suffered an injustice during communism, or the current owners, who purchased the property by contract with the state. What we have today are many former owners desperately seeking justice by protesting in the streets and by filing a huge number of actions against Romania in the European Court of Human Rights.

For the last 20 years, the prime promoter of liberal policies in Romania has been the National Liberal Party (PNL), which for the entire period has been part of the Government in coalition or by itself. Although the Presidency of Emil Constantinescu (1996 – 2000) ended in failure, the Government during his term, a coalition led by his alliance, the Romanian Democratic Convention (CDR), made substantial progress. It started important reforms in education, agriculture and mining and, for the first time in Romania, freedom of speech and thought were guaranteed and one could criticize the ruling coalition without being punished. Furthermore, Romania was accepted as a candidate for NATO and the European Union, an irreversible, critically important step for this newly democratic state. The PNL led the Government between 2004 and 2008 and initiated important economic and administrative reforms such as the decentralisation to local authorities. The tangible results were that Romania had the highest economic growth in the European Union between 2005 and 2008. Unfortunately, the PNL's communication with the electorate was less successful than its policies, both because of its own shortcomings and the frequent internal disputes within its coalition. As a result, the voters’ initial enthusiasm for their right wing alternative government was replaced by disappointment and apathy.
The Liberal Party’s failure to communicate with its own electorate has been explained by some theoreticians by, firstly, their rejection of demagogic discourse, that is, of appeals to the electorate’s emotions and prejudices, and secondly, their neglect in training party personnel, the cadres. In fact, both explanations are true but together, still incomplete. Although the party won almost 20% of the vote in 2008, Romanians no longer see it as a viable alternative. The PNL’s mistake is that it tries to differentiate itself from the socialist and neo-communist parties but uses their same methods of campaigning and governing. The liberals should wage these partisan contests using methods that are different and more innovative than the other parties.

From this point of view, the most efficient and robust method for the promotion of liberal values and ideals in a welfare state is through the educational system. A renowned Professor of Pedagogy who taught at Iasi University between the wars, Ion Gavanescul, told his students that “Schools give knowledge; at most, they develop intelligence, at most, they aim to develop the superior feelings. And with that, its leaders believe that everything has been done. But with only that, they miss the part which gives the power of expression, the power to react in a changing context, which is human character.”3 What Prof. Gavanescul understood by character is the “crystallization of the will according to an ideal that is useful to humanity, the nation, and the ability to work according to the imperatives of a high moral ideal, putting all human powers in its service, both the physical and intellectual, and all human characteristics, both internal and external.”4

In addition, when considering the role of elites, the social psychologist Gustave le Bon stated that “scientific, artistic, and industrial progress, which represents the force of a nation and the prosperity of millions of workers, comes only from them [the elites]… Modern civilizations, created by the elites, can live and evolve only through them. [Moreover] popular governance does not mean at all the governance by the people, but by their leaders. The masses are not those who generate public opinion. They are obeying it, and then, hypnotized, they impose it with violence. This is the mechanism

3 Ion GAVANESCUL, Educatia eroica, “Trecerea Muntilor Carpati” Publishing House, Iasi, 1926, p. 21
4 Ibidem., p. 32
that we call ‘opinion movement’.”

But what should be done when the elites are either absent or compromised by their past? In this context, the masses tend to believe in false values such as money and to irrationally follow their instincts and passions. One current public obsession is the desire for revenge against the old regime’s collaborationists. But, after twenty years, maybe it is now time to make peace with our past while honouring our heroes, so that we can look forward to our future.

Subsequently, liberalism should offer more than just “the most abundant possible satisfaction of all those desires that can be satisfied by the things of the outer world”6. It has to take into account the fact that a nation is both a physical and a spiritual reality, so the ultimate purpose of a nation, this unity of collective life, is not confined to a tangible but extends to a spiritual goal. Liberalism needs to re-establish the social bonds among all Romanian citizens so that they can live, work and develop together peacefully.

Altogether, in the context of a process of continuous globalisation, Romanian liberalism has to assume the role of the “re-organizer of society”. For this purpose, as we have mentioned earlier, it has to find innovative tools and methods. Liberals must understand that victories in the immediate future are not signs of enduring progress – that society must be remoulded, starting with its base. They have to have the patience and wisdom to create spiritual bonds within the nation. Whether Romania becomes a welfare state will depend on its ability to reshape itself and develop, to find new pillars for the broad vision required to face new economic, political, technological and social realities.

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Oleg Kozlovsky

“As the government was in control of the entire reform process, it rarely allowed new political leaders to gain top positions in Russian politics. The elites never changed in Russia after the collapse of the Soviet Union, continuity was always maintained.”
Lessons of Russia's failed liberalisation

The outcome

On November 4th 2008, the world watched Barack Obama win the US presidential elections. The first black person to rule the planet's most powerful country, he promised to change those policies of the previous administration that were seen by many as undemocratic. On the next day, another recently elected President was presenting his plans to the public. Dmitry Medvedev was addressing the Russian Parliament and he too was speaking on the broad topics of democracy and the rule of law. But he did make a very practical point in his speech when he suggested amending the Constitution and extending the terms of both the President and the State Duma (the lower House of the Parliament). This amendment was supported by Prime Minister Vladimir Putin, who had until recently before claimed that the Constitution must not be changed. Parliament passed the resolution in a matter of weeks with hardly any discussion. This amendment to the Constitution, its first, was a clear example of what democracy in Russia had become.

Freedom House, an NGO that monitors the level of freedom in different countries around the world, rated Russia as "not free" in 2008. Russia's average score of political rights and civil liberties was 5.5 out of 7, with 1 is being the most free and 7 being completely not free. This dismal score was the result of a steady decline over the past decade. Elections, with their pre-filtered candidates and predictable results, have become a farce. The number of political parties has been artificially reduced from 186 to 7 in just the last several years. National television is now controlled and censored by the government. Political prisoners have re-appeared in Russia and their number now, according to human rights organizations, is the highest in 20 years.

At the same time, levels of corruption are higher than ever, a problem that pervades all levels of administration, from lowly traffic police officers to the country's top leaders. Property rights are not guaranteed and can easily be violated via the corrupt police, courts and other government agencies. As a result, free markets cannot function and the best competitor is not the most
efficient but the one with the best connections.

Russia’s foreign policy contributes to this dire picture. On its collapse, the Soviet Union was succeeded by 15 independent states, with Russia naturally the most powerful. However, its subsequent aggressive and imperial behaviour has worsened relations with every other ex-Soviet country. Since 2000 alone, Russia has organized PR campaigns against Estonia, Ukraine, Moldova, Belarus, Latvia, Kyrgyzstan, and Georgia. The last case even ended in armed conflict and the forced separation from Georgia of the two self-proclaimed republics, Abkhazia and South Ossetia. Russia has cooled down its relations with the EU and the USA to a level reminiscent of the Cold War and formed the Collective Security Treaty Organization (CSTO) with Armenia, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan – often referred to as “the union of dictatorships”.

Great expectations

Could people have expected 20 years ago that their long-awaited reforms would end in the erection of another authoritarian regime? At that time, I was only 5 years old but I can recall the atmosphere of those days – full of hope and optimism. These hopes arose from Mikhail Gorbachev's policy of “Perestroika”, which included a democratization of the political system, more freedom of press (glasnost), and the toleration of limited commercial activity. Every day, people could see rapid change, a bright contrast to the decades of stagnation under General Secretaries Brezhnev, Andropov and Chernenko. This very new President of the USSR even looked different from his predecessors: he was not old, could speak quite well and appeared more open-minded and frank.

Political activity grew quickly once people realized that they could influence the government’s course. Within a few years, hundreds of political clubs, organizations and parties were founded. People pushed Gorbachev to deepen his reforms. One important example was the nationwide campaign to abolish Paragraph 6 of the Soviet Constitution, which guaranteed the Communist Party's “leading role” in the country. After numerous demonstrations, strikes and petitions, this demand was fulfilled and the founda-
tion for a multi-party system was created. Many people expected that a full scale democracy would soon be built.

Perestroika’s origins are still hotly disputed. Some trace them back to Gorbachev’s exposure to liberal ideas and groups at the beginning of his career. Others point to the critical state of the Soviet economy, which had worsened in 1985 due to the fall in oil prices and the continuing demands of the arms race. Since Stalin, the economic system of the USSR had been based on mobilization and repression. But after many years, people had lost their faith in communist ideals and could no longer be mobilized by state propaganda. Fear was no longer strong enough to mobilize workers and the GULAG system was now too small to be a strategic source of unpaid labour. The very nature of labour had changed so that intellect was now the most important resource. Socialist economic policy had arrived at a dead end. The need for changes was obvious even to most of the Party’s leadership.

The liberalisation of the economic system began with the introduction of cooperatives and peaked in 1992, when prices were liberalized and free trade allowed. A free market economy was expected to develop soon but the subsequent sharp fall in the average citizen’s standard of living, hyperinflation, the flourishing of organized crime and corruption and other unexpected problems made the very term “liberal reforms” extremely unpopular, both among the people and within the government. People were disappointed by the new economic order and demanded more state intervention.

The third great expectation was integration into European and, more broadly, Western international structures. Russia made significant leaps in this direction soon after the dissolution of the USSR. She was admitted into the Council of Europe and later became the eighth member of the G8. Some politicians even predicted that Russia would join the European Union or NATO. But this integration almost stopped in the mid-1990s when the focus of foreign policy switched to the “near abroad”, more specifically, Belarus, Ukraine and Kazakhstan.
Why it failed

A detailed analysis of recent Russian history is out of scope for this short article, so instead I will try to summarize the reasons why liberalisation failed in Russia.

The first and, arguably, the most important reason for this failure is the fact that democracy and civil rights were mostly “granted” by the government and not “earned” by the citizens. The reforms were initiated and conducted first by Communist Party under Gorbachev's leadership and then by Boris Yeltsin's administration. Although there was a popular movement in support of democracy, its ranks shrank dramatically after the dissolution of the USSR. Citizens became deeply apathetic about politics, withdrawing themselves from political activity. There had objective reasons for that since the devastating economic crisis forced people to seek ways to simply survive, leaving them little time to participate in politics. However, even after the economic situation began to improve in the late 1990's, interest in demanding liberal reforms did not emerge. Most people did not and still don't value their political freedoms and civil rights. Therefore, few people protested against the gradual elimination of democratic institutions. Less than a decade after the failed KGB-orchestrated coup of August 1991, people voluntarily voted into power a former KGB officer, Vladimir Putin. This loss of “eternal vigilance” ultimately cost them their liberty.

As the government was in control of the entire reform process, it rarely allowed new political leaders to gain top positions in Russian politics. The elites never changed in Russia after the collapse of the Soviet Union, continuity was always maintained. Boris Yeltsin had been a professional Communist Party functionary; many of the Prime Ministers in his governments were also veteran public servants of the USSR: Viktor Chernomydrin was a minister under Gorbachev, Yevgeny Primakov a member of Communist Party Central Committee, while Putin was, of course, KGB. The Soviet nomenklatura stayed in power because “lustration” laws that would cleanse the civil service were not enacted in Russia, unlike Poland, Czechoslovakia and many other post-communist countries. Their titles changed, as did their words, but their style of thinking remained the same.
The dissolution of the USSR was one of the most important events of the generation of Russians now living. For decades, most people had believed what they were told - that the Soviet Union was an indestructible country, a superpower that could only cease to exist if the whole world did. The fall of this empire was so quick and unexpected that many people were deeply shocked. There's an ironic saying from those days which described the Belavezha Accords (the agreement between the Presidents of Russia, Ukraine and Belarus to dissolve the USSR) as "three men went to the woods and dismissed the Soviet Union." Immediately after its dissolution, few tried to defend the Soviet Union but many citizens and politicians felt that they had suffered a huge loss. Overnight, many families were divided by international borders, many economic links were cut, and the very magnitude of the superpower's political, industrial and military might evaporated. In response, numerous populist politicians declared the restoration of the Soviet Union, in one way or another, to be their goal - and won millions of votes. By 1996, even Boris Yeltsin, a signatory of the Belavezha Accords, had made the first attempt to re-integrate one of the former Soviet republics, Belarus, by establishing the "Commonwealth", later renamed the "Union of Russia and Belarus".

However, most of the newly independent states didn't favour the idea of returning to Moscow's rule. Their elites and, in most cases, their people, valued their newly acquired sovereignty and wanted to develop better relations with the West. Unfortunately, the Russian government did not want to realize that the situation had irreversibly changed after the fall of the USSR. They continued the old imperial foreign policy, not hesitating to intervene in ex-Soviet countries' domestic affairs, perceiving European integration of those countries as a threat to Russia's influence, and in other ways demonstrating their disregard for the sovereignty of neighbouring states. Examples of such behaviour are numerous: from the Russian leaders' direct participation in the Ukraine's 2004 presidential campaign, to the trade wars against Georgia, Moldova and other former Soviet republics, to the provoking of a public disturbance in Estonia in 2008. This policy alienated Russia's neighbours, who in turn drove the imperialists further into despair and they responded with an even more aggressive foreign policy response to an imagined "betrayal" of Moscow by its former colonies.
At the same time, this imperial syndrome prompted Russia to return to Cold War era rhetoric and actions after years of rapid development of better relations with the West. In the world view of many Russians, their country is surrounded by hostile neighbours while the West, in particular the USA, constantly plots to weaken and suppress Russia. This kind of thinking has been widespread for centuries, from it arose the idea that Russia can only survive in such an environment if ruled by a strong leader, who can ruthlessly sacrifice the private interests of some individuals to the common needs of the country, which, in turn, are associated with the state. This idea is used by the ruling elite to its own advantage and is maintained by its education and propaganda.

Another reason often cited when analyzing the reasons for the failure of democracy in Russia is the “resource curse”. In Russia's case, this phenomenon of resource-rich but poorly developed countries is called “neftyanaya igla,” or the “petroleum needle”, a reference to the similarity between the Russian economy's dependence on oil and gas exports and heroin addiction. This dependence has not only deformed the Russian economy, making it especially prone to state intervention, monopolies and corruption, but also indirectly damaged the political system. Small and medium businesses are underrepresented in the government due to the domination of enormous energy enterprises. “Natural” monopolies like Gazprom have financed corrupt, undemocratic governance, from oligarchic rule to authoritarianism. It also has undermined the importance of education and local governance, two more key factors in the successful development of democracy.

Sources of optimism

Despite the failure to liberalise Russia over the last 20 years, as briefly outlined in this article, we shouldn't consider human rights, democracy and free markets doomed in this country. The widespread opinion that these ideas cannot take root due to Russia's traditions, history and way of thinking contradicts the realities of world history. Three centuries ago, nearly every nation was under authoritarian rule. Almost every country has a long record of tyrannies, dictatorships and periods - sometimes very long periods - when human rights and liberalism were ignored. Just a few decades ago,
many important countries still had little experience with democratic self-governance, but now they enjoy political and economic freedom. Post-war Germany and Japan are two classic examples of such nations, now joined by many post-communist EU countries. There are no reasonable arguments for considering Russians unable to adopt liberal values. The resource curse, although an important factor, may also be overcome, as it was in the USA, Australia and Canada. However, in order to improve the next reform attempt’s chance for success, the shortcomings of the last effort have to be addressed.

Recent events in many other post-communist countries demonstrate that another wave of liberalisation is on the way. The main difference this time is that the initiator is the civil society rather than the ruling elite. Georgia and Ukraine have gone through non-violent internal conflicts, often referred to as “colour revolutions”, in which the people, led by a democratic opposition, ousted a semi-authoritarian or authoritarian regimes. This scenario doesn’t always work. The regime may be too ruthless or the opposition too weak for a successful anti-authoritarian campaign. Even if the old leaders are brought down, the new ones may fail to reform their country in a liberal way. But still, the very fact that such revolutions are attempted nowadays shows us that the situation may easily and unexpectedly change.

Despite the general failure of democratisation in Russia, some of its institutions survived and can become the roots for a new liberal movement. There are democratic, human rights and other non-governmental organizations that actively promote liberal values among Russian citizens and defend the liberal institutions that remain. Although such activity has become extremely difficult and even dangerous, it never stops and has even increased during the last five years. The new generation of political and human rights activists is aware of the threats that the country will face on its way to liberty.
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SERBIA

Jelena Milic

“I want to see Serbia as part of an economic, energy and ecological community that shares common global challenges and seeks common responses and procedures of decision making for these responses, based on shared values and liberal political policies.”

Supporters of the pro-Western Liberal Democratic Party wave EU flags as they pass by buildings destroyed during the NATO bombing of 1999 in protest against a Russian energy deal. Belgrade, May 9th, 2008. Photographer: Nenad Nikolic, © Liberal Democratic Party, Serbia 2008
Between the walls

Several years before the fall of the Berlin Wall I lived in the town of Jajce in Bosnia and Herzegovina, part of the Socialist Federal Republic of Yugoslavia. At that time, I often listened to Pink Floyd’s *The Wall*, a record I bought in Italy, where my parents took me for skiing almost every year. I would listen to it with my Croat and Muslim friends, though at that time, I did not even think about which ethnic groups my friends belonged to. We were just schoolmates and friends. The only groups that I separated my friends into were those who listened to AC/DC versus those who listened to the Doors. I attended a school whose facilities were new, comfortable, and well-equipped while the quality of education was decent enough. I was a teenager and for me, everything seemed fine – I didn’t seriously think about the system I lived in and was oblivious to the fundamental distinctions between socialist Yugoslavia and neighbouring Italy and Austria, even though I visited those two Western nations on a regular basis. About all I noticed was that although my parents were hard working doctors, their car seemed smaller than most others I saw abroad. Still, life was good.

Then Tito died. My parents decided to move back to Belgrade, Serbia, supposedly because I would soon be beginning university. I noticed the first shortages of fuel and coffee but my major interests were still skiing, music and dogs. I remember a brief period of economic recovery, led by Ante Markovic, a pro-reform oriented leader who my parents supported. Later I discovered that the EU supported him too, but some other, more important people didn’t. When The Wall fell, I watched it on TV. I felt sorry for the East Germans, Hungarians and other East Europeans and wished them all the best in the future. I don’t remember envying them then, during that era of Ante Markovic. We were not worried about the future then. I never heard my parents talking about atomic war or the Russians as big problems. What I do remember from that time of the Wall’s fall is having already seen Dire Straits in concert three times and Talking Heads once. Our lack of both political freedom and a free market economy, yes, these topics were always being talked about, but it was the time of Ante Markovic and things were becoming better. It seemed that we didn’t have to take sledgehammers to our wall, just remove it brick by brick, preserving the good part of our in-
heritance of Titoism.

But then Yugoslavia died. Or it was murdered? Or maybe it committed suicide. Did the western community spread the sparks of violence amongst us or did we just collapse into a bloody civil war, like a rotten, poorly built wall? And Milosevic the politician was born. It is still not clear to many Serbians what was the egg and who was the hen in that story. Anyhow, the wall of security built by society that protected this carefree youth fell too. In its place, a wall of international isolation was built around the common people, with enormous consequences for their daily lives. On television, pictures of suffering and destruction in Yugoslavia replaced MTV.

I no longer distinguished the people around me by their skiing ability and music preferences, now I classified them by whether or not they were in favour of solving disputes by killing members of particular ethnic groups, be they Muslims, Croats or Serbs.

In Serbia, most of the media and even some of my acquaintances, spoke of people from Croatia and Bosnia and Herzegovina, some of whom were my friends, as enemies by nature. Despite all the government propaganda and loss of direct communication with the outside world, I nevertheless knew that the seizure of Sarajevo was wrong, that too many other things were wrong too, but didn’t know what to do, apart from offering humanitarian aid. I celebrated the Dayton peace agreement, but didn’t like the western community’s contemporaneous description of Milosevic as a “pillar of stability in the region”. In the winter of ’96–’97, I marched against election fraud with my fellow citizens of Belgrade though I was appalled when they shouted “Go to Kosovo!” to the many police officers in the streets.

In 1998, I started working for the UNHCR, then the OSCE, and finally with the Helsinki Committee for Human rights in Serbia. My work with these international organisations gave me a much better perspective of what was going around me, a blurred one maybe, but still a perspective. I broke through the wall of oblivion and ignorance that still encompassed many citizens of Serbia, and saw that I could make a difference. I realized one could be against Milosevic yet still remain in one’s own tribe, in one tribe
among many, some more democratically oriented, or more civic-minded, or more nationalist than others. I chose my tribe and became a member of a party which was anti-war, anti-nationalist and pro-civil society - a liberal party.

During that period, I envied the people of Eastern Europe for having had an oppressor like the USSR for so long, because I saw that their determination to escape their tormentor drove them towards emulating the stable and prosperous liberal or social democracies of the political west. Unfortunately, that goal was not shared by most of Serbia’s political elite, who had other things in mind, namely, a greater Serbia at any cost. Now, when I know more about how awful the USSR really was, I no longer envy the Eastern Europeans. But now I better understand what it was that slowed us down back then, what pampered and distracted us from seeing that we had to rush towards the West as the Eastern Europeans had, away from our nation’s corrupted nationalist elites, the elite that controlled the Army and was ready to use it, no matter the consequences. Our distractions were both foreign, our access to western culture and to good things like Levis 501’s, and domestic, to our good schools and health care. Too many of us were too satiated or self absorbed, so once again we let mass atrocities, committed by our institutions, simply occur in Kosovo.

While Eastern Europe was rushing towards NATO and EU, I was demonstrating in downtown Belgrade, along with no more than 40 of my fellow citizens, mainly NGO activists, against the war in Kosovo. Then in 1998, I encountered activists from Otpor, a non-violent resistance movement that I immediately started to support. In 1999, I lived through the NATO bombing in Belgrade, accepting that I was already in the tribe of those who give, under certain circumstances, supremacy to the protection of human rights over territorial sovereignty. One Srebrenica at the end of the 20th century was enough. No matter how committed I was to non-violence, I still conceded that, under certain circumstances, a part of an international community, even if not the whole, sometimes must take tough measures to prevent further mass atrocities.

However, I focussed more and more on perfecting our tactics in the struggle
against the Milosevic regime, I preferred a non-violent solution that would lead to a sustainable democratisation of my society over any 'quick-fix' solutions. I then realized that the 'spontaneity' of the peaceful Eastern European revolutions was really not that spontaneous. In fact, there's a lot of work and planning, and it helps to have friends abroad who share your values. Nevertheless, Milosevic was overthrown on October 5, 2000.

But even then I knew that our legacy of war crimes and war criminals would slow our development tremendously. In contrast, most Eastern European countries had found the will and resources to start the lustration process and really review their recent past. We failed to take those much needed steps towards consolidating our new democracy. The wall around us had never actually been torn down and was now squeezing us more and more, expanding back in the space we thought we had taken back on October 5, 2000.

Then 9/11 occurred and the notion that history would end with the ultimate victory of liberal democracies died. Another wall started to arise, longer than the Great Wall of China, dividing the globe according to opinion towards the US-led “War on Terror”.

Serbia was indulging itself in an anti-corruption frenzy, a poorly conducted cause that severely undermined the difficult task of introducing liberal ideas and values in a poor country in transition. Instead of introducing a new, liberal approach towards public management into the foundations of a renewed system, we focused on a witch hunt of targets like shady profiteers and those responsible for botched or crooked privatizations. During our economic transition, populist rhetoric returned through the front door. Strong external and very weak internal pressure to arrest and deliver at least the main architects and perpetrators of war crimes to the International Criminal Court for the Former Yugoslavia (ICTY) reunited all populist and nationalist forces in opposition. The army and intelligence establishments were out of control; some of their members organized the successful assassination of the pro-reform Prime Minister of Serbia, Zoran Djindjic.

Nothing was black and white anymore. The western community easily ac-
cepted a nationalist, Vojislav Kostunica, as the new “democratic” leader of Serbia, because he seemed to suit their own agenda of a new status for Kosovo - independence. I expected to hear the same arguments for Kosovo’s independence that I had heard before and during the bombing, e.g., how the protection of human rights was more important than territorial sovereignty. Instead I heard some new ones: “You are better off without Kosovo”, or: “It is a result of the final dissolution of Yugoslavia.” Mark my words, I am in favour of Kosovo’s independence, but on totally different grounds than those we heard from the western international community during the ‘new status’ negotiations. The West’s mixed messages and confused actions strengthened anti-EU forces in Serbia, exposing those committed to the already unpopular positions of being pro-human rights and against nationalism, to political ostracism by almost everyone in Serbia. Kostunica and his like took advantage of the situation, which provided them with grounds to object to the international community’s position on Kosovo.

The many failures of the western international community to deal effectively with the issues of human rights and territorial integrity in Iraq, Kosovo and finally Georgia, has forced it, to my great regret, to abdicate their responsibility to enforce international norms. Russia has returned to the regional scene and its aggression in Georgia has gone virtually unpunished. The world economic crisis revealed some systemic flaws of uncontrolled free markets, and gave grounds for both sustained and unconstrained criticism of liberalism. The crisis swept the wrongdoings of the Serbian transition under the carpet. The world’s attention has shifted to other issues, which gives Serbian leaders more room to refocus their foreign and domestic policies on one single issue – Kosovo.

Unfortunately for Serbia, the EU and the US are undertaking a quick fix approach by legitimising the unreformed elements of the Milosevic regime, instead of continuing to strongly condemn their previous viewpoints and misconduct. Those in Belgrade who once allowed Ratko Mladic and other war criminals to kill Albanian civilians are now called democrats and promoters of Serbia’s EU integration, a process blocked by the fact that these Serbian authorities are unable, or unwilling, to locate, arrest and turn over Ratko Mladic to the ICTY. The only way to achieve this noble and necessary goal is
to abandon the western policy of ‘conditionality’, of holding up integration until Mladic is turned in, and proceed in the opposite order, i.e., to begin by pushing Serbia further into the EU integration process. This is the only way to put the remaining parts of the army and the intelligence structures under democratic control, a precondition for the arrest of Ratko Mladic. The current stalemate over the Stabilization and Association Agreement should be ended as soon as possible for this deadlock only helps monopolists, anti-EU forces of all kinds, and uncontrolled parts of the military and intelligence forces (including war criminals), to secure their current control over Serbian institutions.

The EU’s lack of consensus regarding Kosovo’s status after its Unilateral Declaration of Independence has impeded the EU’s efforts to become a major player in the Western Balkans. The EU’s lack of coherent foreign and security policies open a crack into which Serbia and Bosnia and Herzegovina fall, pushed by tycoons, monopolists, the current Russian administration and domestic isolationists and nationalists. A recent opinion poll revealed that Serbian citizens have greater trust in undemocratic institutions like the Serbian Orthodox Church and the Army than in the parliament, judiciary or government. Serbia’s current constitution, which is a blatant fraud since it was adopted after a deliberate breach of electoral procedure, is a perfect example of a founding document that does not meet the basic requirements to establish a functional democratic state with the rule of law. The way the western community let Kostunica and our president, Boris Tadic (elected 2004), go along with this fraud, mainly because of their lack of a coherent stand on Kosovo, is a big mistake that is impeding Serbia on its way to reconstitute itself as a stable EU democracy.

Twenty years after the fall of the Berlin wall, children in Serbia go to schools reconstructed and heated mostly by EU, Norwegian, US or Japanese aid, while, according to recent polling, most Serbs still see Russia as Serbia’s best friend and most important ally. I am a political analyst and commentator, as well as a member of an invitation-only think tank called the Forum for International Affairs. I used to work as an analyst for the International Crisis Group, was an assistant to our first democratic Minister of Foreign Affairs, Goran Svilanovic, while he was head of ‘Working Table I’ (democrati-
sation and human rights) of the Stability Pact for South Eastern Europe (SP SEE), and have worked on other EU supported projects.

But I am neither young, nor a political leader in the classical sense of the term. Maybe I’m not because I refuse to affirm that my arch-enemies, like the newly democratic Serbian Progressive Party (previously the Radical party) have become genuine, pro-EU democrats, as some of my comrades from Serbia and from the western international community assert nowadays. Maybe I’m not a political leader because I do not see any benefit in making peace with the Socialist Party of Serbia as long as it refuses to condemn its own recent past.

But people in the region, a lot of them according to the site statistics, read my blog. I like to think of my blogging as a modest contribution towards helping Serbia and the region to introduce a system of political decision making that relies on the citizenry's deliberation to make sound policy, a trade-off between direct and representative democracy. This theory, 'delegative democracy', argues that lawmaking can legitimately arise only through public deliberation by the people. I believe that deliberative democracy is particularly important for those post-conflict societies that: have an authoritarian inheritance, are in economic transition, are in the process of consolidating democracy, and for whom a period of reflection in order to achieve a consensus regarding the recent past is an important step forward.

Even while writing this article, I debated an issue from our recent past - the genocide in Srebrenica and its commemoration. Some of us in Serbia demand our Parliament should recognize July 11 as a commemoration day for the victims of this genocide, just as the EU Parliament drew attention to the Israeli-Palestinian conflict by its resolution of January 15, 2009. It is just tough luck for those of us in favour of this idea, at least for now. I am so depressed by the lack of genuine will to address the watershed issue of Srebrenica by our so-called democratic government and parliament, and by our so-called pro-EU president Boris Tadic. I am tempted to build a wall around my small world, to focus myself on the philosophy of Jurgen Habermans, to contemplate how many citizens of Serbia follow such developments in
modern democracies, and to give up explaining that genocide cannot be justified by the fact that a victim of it was once a war criminal himself.

But I am going to resist such a temptation, which I already felt on many occasions, once again.

I want Serbia to be part of a world which will in the future, if not in recent past and today, have a common perspective on how to react in certain situations. To avoid in the future a situation Serbia faced upon the outbreak of the Balkan war, when it was almost clueless. I want to see Serbia as part of an economic, energy and ecological community that shares common global challenges and seeks common responses and procedures of decision making for these responses, based on shared values and liberal political policies. In order to contribute to this goal, I have to go on and make a contribution to the public forum that is slowly but steadily expanding in Serbia. To continue to remove gently, brick by brick, the wall of isolation, behind which many citizens of Serbia, tired and the losers of the period of transition, still hide, as a result of their fear to face reality, from the competition of ideas, values and skills of the 21st century.

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SLOVAKIA

Martin Chren

“The single most crucial and substantive challenge that still remains and must be overcome in most post-socialist societies lies in the moral, not the economic, side of the transformation process.”
The moral and cultural dimensions of transition

Slovakia is known as “the heart of Europe” because the Slovak town of Kremnica claims to be continent’s geographic centre. The country has changed dramatically since the fall of the Iron Curtain twenty years ago. These changes, amid them the benefits of liberalization and privatization, have been accompanied by the joys, hopes, and disappointments.

Twenty years after November 17, 1989, the date when the “Velvet Revolution” began in Czechoslovakia, a liberal economist can feel satisfied with the results of the changes our country went through. After two decades, Slovakia no longer has a “transition economy”.

Of course, we are – and, for many years, we still will be - far from reaching all of the levels of economic development or quality of living of our western neighbours. This, however, is not the fault of the year 1989; rather, it is a sad heritage of the year 1948, when the raging communist dictatorship nationalised most of the national wealth.

Subjectively, there is still a group of people in all the post-socialist countries, though their numbers are decreasing, who feel that their quality of life declined after the market reforms, and none of the available economic data, however accurate and however irrefutably they prove that most social and economic indicators today exceed those at the end of socialist rule, could prove their opinion to be wrong. Freedom always requires sacrifices, mostly paid by those who, in direct contrast, are most ready to sacrifice freedom for greater social security and the equality of poverty. But the evidence clearly indicates the rise in political freedom since the socialist period has been accompanied by economic growth whose benefits, as reflected in the quality of living, are distributed across most groups in society.

If our country, together with others in the region, had not set out after World War II to build an economically senseless system, then the people in all of “New Europe” could today enjoy standards of living similar to those of people in Germany or Austria.
Actually, over the past few years, Slovakia has already surpassed some of the “Old Europe” countries with structural reforms in social systems and taxation that would be unimaginable in countries like France. Thus, despite the dozens of wasted opportunities and hundreds of costly lessons, the economic transition as a whole turned out to be an indisputable success. The remaining spectre of socialism, whose remnants continue to haunt us in the systems of schooling, health care, and bureaucracy, is not a rare exception in contemporary Europe but rather a common problem of the modern “European social model”.

The single most crucial and substantive challenge that still remains and must be overcome in most post-socialist societies lies in the moral, not the economic, side of the transformation process.

A recent, unusually broad based public opinion poll, conducted to analyze the politics and values of Slovak society, revealed that nearly 90% of Slovaks could be described as “leftist liberals”, though about a third of this group considers themselves to be right-wing voters. These people do not want the state or the government to shape their personal decisions, such as marriages and so on, or restrict their civil liberties but are always ready to call for the helping hand of the state in economic issues. The market economy is regarded more as a threat than an opportunity for them and capitalism is still a word invoking aversion instead of trust. They consider government to be a necessary to regulate unrestrained market forces and accompany them throughout their lives with its generous and helping hand, literally from the cradle to the grave. This might explain the relatively high and stable support for national-socialist parties among the Slovak voters.

What are the origins of such opinions? Every democratic, market economic system is composed of three types of institutions. There are political institutions that guarantee a democratic system and free elections, and the economic institutions that guide the effective functioning of the market economy system. Last but not least, often forgotten but possibly the most important, there are also the moral and cultural institutions.
Therefore, three new and different social frameworks had to be developed after the fall of the socialist regime: the economic, the political, and the moral. To build a single one of these is a Herculean challenge; to construct all three of them at once has proved to be a mission impossible.

When Western experts came to the Central and Eastern European countries to help build liberal democracies, they started with the political framework of democracy, popular elections, freedom of speech, religious liberty and the other civil and political rights. These were followed by the creation of a free economy through price deregulation, privatisation, the often painful restructuring of industries, the foundation of financial markets, etc.

However, after 1989, both the Western experts, who arrived with their blueprints for political reform and detailed plans for economic reform in their briefcases, and the revolutionary elites neglected the most basic of the three systems of any free society, the moral and cultural system.

The damage that the socialist period inflicted on the moral system of the people was incalculable. While Western countries were building their success based on individualism and personal performance, the new socialist states were successful in replacing the historic idea of "God will take care of you" with their own - "the State will take care of you". This new mantra disrupted the citizenry's individual responsibility for their own destiny and their motivation to achieve.

This absence of the moral institutions that are a prerequisite for the proper functioning of free societies – or, more precisely, the standard market institutions – was, and still remains, the main problem with the entire transition process in our country.

The whole process of creating a conventional political and economic system with a stable legislative framework had to be built upon a set of transitional and absolutely unconventional sets of rules and legislation. This logical contradiction permeated the whole transition process during its first years in Czechoslovakia. The contradiction was that the government itself
was trying to kill the government; it passed temporary laws and one-time measures needed to construct a standard, long term set of official and unofficial institutions, such as the legal framework, private property, corporate governance, and so on.

And one of the main lessons to be learnt from the transition in Eastern Europe is that a fall of one set of institutions (the socialist economy) does not mean that another set of institutions (the market economy) will arise immediately, Phoenix-like, from the ashes.

At the time of the transition, the political and economic elites were not prepared for the complexity of rebuilding the economic system. In reality, creating conventional market institutions proved a long, painful process, accompanied by thriving corruption, a period of "crony capitalism", political populism and the occasional deep disappointment.

About a dozen years ago, Nobel laureate Milton Friedman had just three words of advice for countries crawling out from under communism: Privatize, privatize, privatize. But later he himself admitted to being wrong – that establishing the rule of law is probably more essential than privatisation. In fact, in some countries, privatisation without the rule of law is just theft. Russia, for example, was able to create a democracy without a rule of law to protect private property. Corruption is rampant and Russia's economy has imploded. This does not trivialize its democratization efforts, but rather emphasizes that without the rule of law and the protection of property, democracy by itself cannot automatically bring prosperity.

Privatisation is a good example of the problems the post-communist countries faced during their transition and are still a great challenge today. The privatisation process in the Czech and Slovak Republics was described by a professor at the University of Economics in Prague in the following words: "Imagine we were all in one room, where all the furnishings, equipment, everything around us was common, state owned, property. Then, suddenly, somebody says: "We are now going to turn off the lights, everyone can take anything he or she can reach, then we will turn the lights on, and everything
will be privatised." So this happened, they turned the lights off, and everyone started grabbing what they could. Then they wanted to turn the lights on but suddenly realized that somebody has also taken the bulb. So we lived for many years after that in the dark."

The rule of law is crucial to the proper functioning of a free society. Of course, when undertaking a transition on the scale of Eastern Europe's, some problems with the legal framework cannot be avoided. A country in transition necessarily has an economy in flux and a completely changed legislature, so it will never have a totally stable legal framework with perfect law enforcement.

On the other hand, the whole mass of new legislation we had to adopt prior to joining the European Union, including the colossal acquis communitaire, all these legislative standards, norms, and laws could not succeed in changing informal institutions, such as the culture of cronyism and “clientism”.

Slovakia today still remains in the twilight zone between Western and Byzantine cultures – between two systems, the first of which operates on general rules and guidelines applicable in the same way to all, and the second of which is based on personal connections, friendships and contacts. As somebody noted, we are like a Balkan country that somehow got too far North.

To join the West requires changing the overall system of how economy works. It requires a fundamental change in people's minds; it requires a sacrifice from those who have political power and the courage to stand up against those who wield enormous economic power, power often accumulated in dodgy ways by exploiting loopholes in unstable regulation. It can't be done without the willingness to explain to the people that in a free society, first and above all, they must try to take care of themselves. Because freedom is not only the most valuable thing we have, it is always very costly, since it requires a huge measure of personal responsibility.
Martin Chren was born in 1981. He is Director of the F. A. Hayek Foundation, a leading Slovak free-market think-tank. He is also one of the Slovak members to the European Economic and Social Committee, and a Presidium member of a newly established Slovak liberal political party, “Sloboda a solidarita” (Freedom and Solidarity).
Gašper Koprivšek

“We are now going through something like a ‘Fukuyamian amnesia’ - since we have achieved all our primary goals, we can now live happily ever after.”
Social and political evolution in Slovenia

Socialist liberalism and statehood

There are two mainstream but contrasting explanations of Yugoslavia’s catastrophic downfall. The first one presents the Balkans as a hopeless case, a cauldron of mysterious squabbles and ancient hatreds which explodes at least once a century. According to this interpretation, the recent collapse of communist Yugoslavia was just another in a series of Balkan disasters. The other explanation assigns the blame to outsiders. Whenever there was bad blood among Yugoslav peoples, it must be due to imperial manipulation by a choice or combination of the Turks, Austrians, Italians or Germans. Authentic inter-ethnic hostilities are of minor importance until manipulated by outsiders. By this argument, Germany’s insistence during the last decade on the rapid recognition of Slovene and Croat statehood was a logical, cynical move to regain her influence in the region. Both views have a striking similarity – they diminish the role and hence the responsibility of the political players in Belgrade after the death of Tito in 1980.

An independent, realistic perspective is possible if we make an exact, chronological study of the three main systems that together constituted the Yugoslav state – the economic, the legal and the political systems. Economically, Yugoslavia was already beginning to fall apart as far back as the early sixties, when views on how to develop began to diverge between Belgrade, the federal capital, and Ljubljana, the Slovenian capital. In contrast to the federal policy of “administrative socialism”, the Slovene leadership was able to pursue its own, unorthodox economic policy known as “Slovene liberalism”\(^1\), which sought to stimulate business ties to the West and included supporting infrastructure such as a highway to the Italian border and hydroelectric plants. Despite various obstacles, by the early Seventies, the development policy confrontation with Belgrade had to be terminated which was a task for Slovene politicians in Yugoslavia’s federal structure. However, political reunification brought maneuvering space for the last federal constitution in 1974, named after a Slovene federal politician Edvard Kardelj. The republics were given a constitutional right to their own territorial defence forces which had a significant importance in 1991 during the Slovene “ten days” independence war.

\(^1\) Liberalism in the sixties was initiated by Stane Kavčič, who was president of Slovene government in that time. The development policy confrontation with Belgrade had to be terminated which was a task for Slovene politicians in Yugoslavia’s federal structure. However, political reunification brought maneuvering space for the last federal constitution in 1974, named after a Slovene federal politician Edvard Kardelj. The republics were given a constitutional right to their own territorial defence forces which had a significant importance in 1991 during the Slovene “ten days” independence war.
Slovene GDP reached about 70% of the Austrian level, a consequence of the Socialist Republic of Slovenia’s liberal experiments combined with one of Slovenia’s distinguishing social values, its work ethic. On the other hand, the implosion of the legal and political systems only occurred later, post-Tito (d.1980), encouraged by the rise of Serbian, Albanian, Croatian and Slovene nationalism.

It is vital to stress that Slovene nationalism during the late communist era was liberal nationalism. It was supported by the beliefs of the civil society\(^2\) which had just begun to be aware of itself and by the help of internationally oriented Slovene intellectuals. It was also enabled by pragmatic and reserved communist power that was stretched by Belgrade and the expectations of the Slovene people. An important role was played by newly organised political and cultural organisations with strong liberal aspirations. One of the latter was “The Laibach”,\(^3\) an internationally known music band with a strong philosophical connotation.\(^4\) During the 80’s, the great majority of society came to realize that future cohabitation within Yugoslavia, where communism was only a curtain concealing miscellaneous irrationalities, was no longer practical. Even so, the majority did not support outright national independence until late in the decade, mainly in reaction to what was perceived as a work of Serbian nationalism, the publication of the “SANU Memorandum” in 1986.\(^5\) In Slovenia, public opinion, demonstrations, and the new political organisations, indeed all ‘positive public energy’, drove Slovenia towards making active decisions to join the West.

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\(^2\) In the first independent years there were some initiatives demanding lustration of ex-communist politicians still active in national politics. Since they all played a constructive role in the liberalisation during the eighties and were vital partners in the independence activities, the initiatives failed. Even more, Milan Kučan, who was Slovenian communist party leader, won two consecutive presidential elections in 1992 and 1996.

\(^3\) Laibach is also the German name for the Slovene capital, Ljubljana.

\(^4\) They exposed the dialectical disparity of their socialist industrial society by claiming to be totally non-ideological but performing using harsh, totalitarian symbolism. They successfully provoked the autocratic regime in a very subtle and even cynical manner.

\(^5\) The Serbian Academy for Science and Arts demanded the unification of all Serbs in Yugoslavia into one political entity. Slovenian intellectuals responded in 1987 with a declaration arguing for Slovenia’s right to declare independence. On the other hand, few years later, Milan Kučan, who was soon to become the first Slovenian President, proposed an “asymmetrical federation” within a confederated, Yugoslavia.
In December 1990, when the Yugoslav federation had practically ceased functioning, the Slovene nation decided its destiny at a plebiscite. The people’s voice was loud and clear and their preparations accelerated. Slovenia declared independence on June 26, 1991. A day before, their Parliament adopted the Constitutional Charter of Independence and Sovereignty, the Declaration of independence and several other laws, in order to assume all the Yugoslav Federation’s responsibilities within its territory. The ensuing events were bloody. The Yugoslav army responded on June 27th with a full scale invasion, an attempt to regain control over Slovenia’s borders and other strategic locations. Armed hostilities ceased ten days later, after the international community finally reacted by organising the “Brioni negotiations” between the two parties which consequently imposed a three month moratorium on Slovenian independence. The Serbians under President Milošević’s leadership had little interest in fighting Slovenia, their objective was to concentrate on the imminent conflict with Croatia, so their clever idea was to favour a quick withdrawal of Federal units from Slovenia and then collect these forces in Croatia and Bosnia under Serbian command. The only remaining military threat to Slovenia was from the leadership of the YNA, which wanted to preserve federal unity at any cost. Their generals were planning air-strikes on civilian objectives in Slovenia which fortunately were never realised. In October, the moratorium ended and the YNA left Slovenia – David had defeated Goliath. The YNA’s withdrawal proved to be the event that convinced Western governments that Yugoslavia would disintegrate.

The Slovene liberal revolution which begun over 20 years ago before independence proceeded inexorably towards an inevitable outcome – a democratic national state integrated into European and North Atlantic economic and security structures. When Slovenia gained its statehood it began its democratic evolution.

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6 More than 88% of voters in a high turnout decided for an independent and sovereign Slovenia.
7 Yugoslav National Army.
8 A crucial role in preventing the generals from launching air-strikes was played by Janez Drnovšek, who had been Slovenian member of Yugoslav collective presidency and was the only Slovenian politician at that time with direct access to Veljko Kadijevič, the federal Defence Minister. According to Drnovšek, he persuaded Kadijevič not to bomb Slovenia.
Liberal democracy – achievements and failures

Symbolically, Slovenia reached adulthood in 2009, 18 years after indepen-
dence, so 2009 presents a chance to reflect rationally over that time. To get
the best possible perspective, all of the following, diverse subjects should
be analysed: the evolution of the political system and government poli-
cies, economic problems and achievements, educational standards, social
cohesion, foreign relations and integration into international organisations;
shifts in the prevailing value hierarchy, and the current status of Slovene
youth.9

When Yugoslavia disintegrated, Slovenia lost the most of its markets. A
resolute, rapid reorientation towards West European countries was vital.
The prudent policy decisions made after independence managed to re-
verse the slide in GDP relatively quickly, by the second half of the nineties.
This economic break-through was mainly a consequence of a policy called
“gradualism”10, a series of prudent and carefully balanced decisions about
privatisation and denationalisation.11 “Gradualism” has also contributed to
Slovenia’s low rate of social stratification. As of a few years ago, the upper
fifth of the population was only 4.5 times richer than the lowest fifth. For

9 While it is impossible in this text to present and comment upon all the important social
and political facts of the last 18 years, the purpose is to outline the main political and soci-
etal processes since independence in order to understand the current position of Slovenia.
10 Gradualism is a term that came to describe the policies of Janez Drnovšek, Slovene Prime
minister from 1992 to 2001 (with a half year break in 2000). Drnovšek was also head of a
leading party, the Liberal Democracy of Slovenia or LDS. Conceptually, his leadership and
policies were not really liberal, because they rejected quick privatisation and denationali-
sation and contravened the IMF's advice to new East European democracies. Both priva-
tisation and denationalisation proceeded slowly and were successful, accomplished under
impartial legal scrutiny and within the prevailing political consensus. Drnovšek steered
clear of dramatic intervention into delicate political issues, thus avoiding irreparable po-
litical conflicts and the consequent demise of democratic achievements. The advice of the
IMF was later generally seen as flawed and to some extent a cause of major social and
economic problems in some countries.
11 Nevertheless, most important enterprises in banking, financial system, energy and some
other industries are still partly state owned.
comparison, in Poland the difference has grown to over 10:1. Stratification also puts younger people in a risky social position. Rents and prices of flats are relatively high, public housing is rare and hard to get. Slovenia has one of the highest ratios of living space per capita in the EU due to the very big family houses people have been constructing in last decades. That is the main reason people live with their parents for such a long time, into their thirties or even all their professional life. While such a life saves on individual expenses, it's doubtful whether the cohabitation of different generations brings long term benefit to society.

During the first years of independence, nationalism lost its liberal connotation. More than ten percent of Slovenians' ethnic origins are from the other five ex-Yugoslav republics. The majority's attitude towards these minorities has become negative and in some occasions even aggressively so. There have been incidents of members of minorities being confronted by nationalist youths but, fortunately, the frequency of these incidents seems to have subsided. Other, non-ethnic minorities, such as homosexuals, have also been viewed negatively by public opinion. Clearly, the focus of pre-independence liberalism was on classic civil rights, consequently neglecting issues involving social minorities. An important reason is that Slovenian society is a relatively homogeneous society with a weak tradition of social diversity, so homophobia, racism, and a mistrust of foreigners can exist. We are very reluctant to accept the new, the strange and the unpredictable. However, in recent years this situation has improved a bit, mostly as a consequence of the EU.

Generally speaking, the political situation during the last eighteen years has

12 On the other hand, Austria's social stratification between the first and the last fifth of the population is about 3:1. Since there are some similarities with Slovenia, Austria could represent a social role model for post-socialist Slovenia. Still, the social gap is being felt by too many Slovenians, especially among retired and young people.
13 Even today, we are faced with more than 20,000 people from former Yugoslav republics who are not recognized as equal citizens by the state.
14 In recent years, two minority groups' issues on the national political agenda have been left unresolved – a delineation of the Roma (Gypsy) people's rights and responsibilities and the Muslims' request to erect the nation's first mosque and cultural centre. So far, the state has failed, apparently being not strong enough to execute some basic constitutional rights.
had several constants in its equation. One is the attempt by both left and right to polarise debate on basis of history and ideology. The old communist wing strives to maintain their influence via ideological support of the socialist value system while a revived, right wing clergy tries to re-evaluate recent history in order to reclaim church assets lost under the socialist system. The "left-liberals" have also been consistent, trying to avoid polarisation by governing in a "non-ideological" way, meaning, avoiding discussions of history, reforming the economy on a consensual basis and guiding Slovenia towards participation in international organisations and agreements.15

In 2004, the 'Liberal Democracy of Slovenia' party, which had led various ruling coalitions for twelve years, lost the parliamentary elections16. The winner was the right-wing SDS,17 which introduced neoconservative and secular populist policies. The election symbolised the end of both the policy of "gradualism" and of the second phase of democratic consolidation, based on systemic evolution and the formal strengthening of democratic institutions within the rule of law. The SDS inherited solid economic growth and a harmonious society. Their economic policy appeared to be liberal (reducing taxes, selling-out of some large state-owned companies) but their main economic instrument was to boost public demand and domestic growth and they also increased the public debt unproductively by investing in projects and creating jobs with low, or even no, added value. As relative shares of the budget, they reduced research and development and enlarged defence. Despite a high rate of economic growth, they ended their mandate in 2008 with no fiscal reserves and substantially greater public debt.18 An impartial evaluation of the SDS' government of 2004 to 2008 would definitely show a setback for Slovenia's development.19

15 Slovenia entered the EU and NATO in 2004, the EMU in 2007, chaired the OSCE in 2005 and held the EU Presidency in 2008, the first "new" member to do so.
16 In 2000, the LDS polled around 36%, the highest of any political party ever. After its 2004 defeat, internal conflicts have reduced the party to the smallest in Parliament.
17 Slovenian Democratic Party.
18 The opposing argument is that Slovenia's public debt level is one of the lowest in the EU. The fact remains that that period's rapid debt growth showed few real results and illustrates the SDS government's lack of a viable development strategy.
19 During that period, development was impeded by the re-introduction of taxes on private R&D investment and problems in the university educational and public health systems etc.
Moreover, in recent years, several different, speculative takeovers of larger enterprises have led to a lack of trust by foreign investors. Also, state subsidies to some old economic enterprises have enabled their survival until now, although they, with their bureaucratic and rigid organisational structures, have no chance of competing in the market and will inevitably collapse during the present crisis. Their failure will be felt hardest in the peripheral Slovene regions. The Slovene economy has another major problem – services are underdeveloped and existing industry relies upon outdated technology, unsuited to current market circumstances. Another economic weakness is that the work force is relatively old and young people don't get enough opportunities. Slovenian work legislation allows employers to use alternative ways of employing people and has created a new social phenomenon – a “worn-out thirty year old” person. The use of short term contracts and self-employment by the young is so extensive as to create a substantial proportion of young people with years of working experience, little or none of which is in traditional, long term, full time jobs. This problem is especially acute within the more educated youth population and is an important reason for postponing marriage and children. Proof of this postponement is the amazing fact that while more than sixty percent of Slovenes nowadays start university when they are nineteen, only 5.9% of twenty-six year olds have finished. There has been both an abnormal increase in the years of study and in the number of those quitting formal education. The most important reason for this sad fact is a flawed state policy of encouraging students to work, which benefits some entrepreneurs and gives young people a false feeling of their economic independence. Widespread student employment allows the state administration to claim that unemployment is low and that there is less need for a national scholarship scheme.

Where do we stand?

A decade ago, Slovene politics focused on one simple goal, accession to the EU and NATO; we entered both a few years ago and even adopted the Euro. At present, it is harder to find consensus on what we should be doing. There is a strong feeling among people now that Slovenia lacks a goal for the future, a vision. In the last few years, we have been witnessing a kind of implosion in the political arena. Confrontations and open conflicts
at different levels have prevailed in the media-political sphere over what should be a reasonable policy making process. Imagination, where ideas come from, has been replaced by the confused illusions of neurotic politicians. We are now going through something like a “Fukuyamian amnesia”\textsuperscript{20} – since we have achieved all our primary goals, we can now live happily ever after. In this lack of ideas and energy, some politicians go even further and offer a consensus policy which is self-destructive and without a serious agenda. The irony is that in order to achieve consensus, this policy reveals its own coarseness and contradictions.\textsuperscript{21} Unfortunately, Slovene society and politics is, in my opinion, not at a level of development that would enable us to be consensual. We face a combination of autocracy and anarchy\textsuperscript{22} that is a common phenomenon of post-communist countries. The way to restart the development of democracy and society as a whole is for civil society to be active in the social and decision making processes. It seems that about every twenty years, Europe has gone through a conflict generated primarily by the demands of a new generation – the students of 1968, then the popular movements of the late eighties, whose protests resulted in the new East European states. I believe that we are on the verge of another, similar movement, whose impact will definitely be enhanced by the economic crisis. The Slovene political elite was very young twenty years ago so these politicians are still young in terms of age, forty-five to sixty years old, young but worn out. Their relatively young age does not allow younger, “new” people to jump into the scene. But the younger Slovene generation is not without errors of its own. Statistics show we are quite reluctant to get professional experience abroad. We search for quick profit, luxury, contentment and pleasure and somehow do not play the role we could and should play. Our society’s demographic is already relatively old and the forecast is catastrophic. Although we have two liberal parties in the present government, we lack the liberal spirit. Shortly, we will need major policy changes in the areas of employment, immigration, administration, the achievement

\textsuperscript{20} The remark refers to Francis Fukuyama and his “End of History” written after the fall of the Berlin wall. He presented liberal democracy as the ultimate political system, societal evolution afterwards being limited to secondary social and economic changes.

\textsuperscript{21} Most of this criticism should be directed at the policies of the Social Democrats and their leader, Borut Pahor, the Prime Minister since 2008.

\textsuperscript{22} Von Beyme called that combination “anocracy”.
of legal equality for all citizens\textsuperscript{23}, and many other things that cannot simply be established by the state. One of them is to inculcate responsibility and awareness into every individual, to convince them that only their own clear vision and values can get them through life as they want to live. The state can only contribute a little help but the responsibility is held by each individual. In this sense, I wish that Slovene youth were more ambitious and prepared to risk at least something in their life.

Older generations still want to dispute historical matters and are unable or unwilling to see that these arguments are not something young people wish to hear or deal with. We lack the self-esteem and ambition required to be a real part of the global world. Our understanding of a common European space and identity, that European integration is a stabilising element crucial for the existence of small states like Slovenia, is still weak, often reduced to criticism of particular European economic and development policies. Slovenes should realise that the next generation will adopt a pan-European and even global identity. Those who will live a static life in one location will become the weak links in society.

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\textsuperscript{23} For ethnic and other minorities, homosexuals etc.}
Vitaliy Portnikov

“I realized that even after the declaration of independence, the citizens of Ukraine had a very vague idea of the future held for their lives, their relations with Russia and the West, and their place in the world. I realized that the idea of everyone’s personal responsibility towards the new state was purely theoretical, while the practical issue was how to survive at the expense of that new state and of other fellow citizens. Nevertheless, it was a chance that could not be wasted.”
Waiting for a reality check

I clearly remember the evening of August 24, 1991, when the deputies of the Verkhovna Rada adopted the Ukraine's Act of Independence. That was one of the most important historical events I have ever personally witnessed. Until the very last moment, it looked unlikely that the parliamentarians would approve such a document since most of them were communists, who just a few days before not even considered supporting independence. Obviously, I did realize that the historical trend favoured Ukrainian independence and that the collapse of the Soviet empire was imminent, but who could have known then how many more years the agony of the Bolshevist Golem would last, cemented by human blood and lies? And suddenly it crumbled, crumbled in front of my eyes!

Inspired, I walked out into the lobby of the Parliament to send my report about the declaration of independence. At that time, reports could only be sent from a tiny telephone office on the first floor where an elderly woman operator managed the communication lines between Moscow and the capitals of the Soviet republics. And there, in the lobby, I saw Stanyslav Hurenko, the First Secretary of the Central Committee of the Communist Party of Ukraine. This communist leader, who just a few days before had tried to convince reporters of the legitimacy of the Moscow “putschists” and was considered a conservative by the Politburo, was standing by a big window, watching from behind the curtains the people outside Parliament carrying anti-communist signs. Meanwhile another man, then the last Chairman of the Ukrainian KGB and the future Minister of State Security of Ukraine, Nikolay Holushko, walked out of the session hall and approached Hurenko. I held my breath. What would they say to each other, a leader of the party that throughout its whole history had fought against Ukrainian independence and the chief of a powerful secret service that worked hard to eradicate even the slightest signs of nationalism?

“Congratulations, Stanyslav,” said General Holushko, “we are free at last!”

And the two party leaders hugged each other.
I believe it was that particular episode that, for me, signified the beginning of Ukrainian independence, more than that historic vote in the Verkhovna Rada, because I saw with my own eyes how complicated everything was. At that time, it was impossible to grasp everything at once because the euphoria was too high; similar dizzying emotions would be experienced later by supporters of Viktor Yushchenko in Kyiv's Independence Square (Maidan Nezalezhnosti) in 2004. Yet back in 1991, I realized that Ukrainian sovereignty was an accident, a gift from history, not a result of any fight for independence. What we had on our hands was a society that made almost no effort to obtain its independence and had never even realised the need for its autonomous development outside the empire, a realisation that, perhaps, made the peoples of the Baltic nations so different. I realized then that even after the declaration of independence, the citizens of Ukraine had a very vague idea of the future held for their lives, their relations with Russia and the West, and their place in the world. I realized that the idea of everyone's personal responsibility towards the new state was purely theoretical, while the practical issue was how to survive at the expense of that new state and of other fellow citizens. Nevertheless, it was a chance that could not be wasted. In August 1991, the Ukrainian people were enrolled in the “school of living” in a country of their own, but in an institution like that; one could never know when the time for final exams would come.

Many people thought that such an exam was passed in 2004 during the “Orange Revolution”. Many of my colleagues, both in Ukraine and especially abroad, could not understand my scepticism while I covered this event, as well as my open unwillingness to give my vote to the supposedly democratic presidential candidate Viktor Yushchenko. Nobody shared the view which I had expressed before the election: Viktor Yushchenko and Viktor Yanukovych were one and the same candidate, skilfully split in two by the country's governing elite to deprive society of any real electoral choice. The sight of Yushchenko's entourage seemed to completely disprove my point: thousands of enthusiastic people in the streets demanding to annul the election results rigged by the authorities! But what was the result of that victory won by these people who demanded democratisation of their society? By the end of Yushchenko's term of office, the political establishment had gained undreamed of power: total control over the corrupt judiciary, a
reinforced oligarchy, and the replacement of professional journalism with simple TV propaganda, mass media having all been bought up by various oligarchic clans and transformed into sharp knives, wielded to accomplish political goals. But the worst result is that people were made indifferent, the people who believed that they had done all they could have back in 2004 and were then betrayed. One cannot explain yet convince these people that democracy is not just the opportunity to periodically elect their hero to the presidency but their daily responsibility to control the government, independent labour unions, civil society, and the media. It is difficult to persuade most people that they should not vote on the basis of personal and regional likes or dislikes but rather according to one’s own political views, because they do not have any, nor do most of their leaders.

This country has, in essence, had the same experience as most Latin American countries during their decades of living under perpetual military coups during the 20th century - dictatorial rule, reprisals against dissidents, and the suppression of free speech. When history took a new turn late in the century and it became apparent that the Latin military governments could no longer rely on either domestic or foreign support, it seemed that the rapid democratisation of the entire continent was underway. But power eventually was won by irresponsible populists who did their best to strengthen their clans, promised to do the unfeasible or, even worse, did it in a way that resulted in economic collapse. No structural economic reforms were undertaken, no opportunities were created for the rise of a strong and numerous middle class and the majority of voters remain poor and desperate. And since they remain poor and desperate, they believe in the promises of one populist politician after another in perpetual succession. Can anyone say what is the difference between those endless TV series featuring Russian Prime Minister Vladimir Putin and those about Venezuelan President Hugo Chavez? Doesn’t anyone see a similarity between Yushchenko’s attempts to alter Ukraine’s constitution and the (now former) Honduran President Zelaya’s efforts to amend his country’s fundamental law? That both leaders lacked the legal authority to act so both tried to appeal to the people as a last resort? Earlier, in the nineties, Belarusian President Lukashenko used the voters will as a tool to strengthen his power and dissolve his disobedient parliament, while later, but in the same fashion, Bolivian President Morales
forced legislators to adopt constitutional amendments. In both Latin America and the former Soviet countries, the powers-that-be use this aspect of their society, the people's will, to strengthen their control. Latin American populists often justify their authoritarian tendencies by the need to resist the U.S., the "imperialist gendarme", which permanently threatens the freedom of these poor but proud nations, while post-Soviet leaders like Viktor Yushchenko, Mikhail Saakashvili, and, most recently, Aleksandr Lukashenko defend their own authoritarian actions by citing the need to resist their own "imperialist gendarme", the Russian Federation. The Russian Federation cites the efforts of Washington to weaken Russia as the reason for its own anti-American and anti-Western policies. Is it a surprise then that the U.S. applauds Viktor Yushchenko and Mikhail Saakashvili while Moscow stages pompous receptions for Hugo Chavez?

However, Ukraine is not an isolated island in a vast ocean but a country hard on the EU's eastern border. Its neighbours have taken the fast track to the European community, but frankly, they didn't have as difficult a past as Ukraine. Ukraine is a real crossroad of civilizations, the country at the junction of Catholicism and Orthodoxy, Christianity and Islam. The Ukrainian people have had to make several crucial political choices during the last few centuries - a relatively short period of history, and, significantly, those choices were never unanimous. During the 17th century, some Ukrainians supported Bohdan Khmelnytsky's Cossack uprising against Poland – Lithuania and his decision to establish a union with the Tsar in Moscow, while another faction tried to destroy Khmelnytsky's army. In the 18th century, some Ukrainian Cossacks followed Hetman Ivan Mazepa when he allied himself with the Swedish King, Charles XII, fighting others who remained loyal to Tsar Peter I. Conflict during the 19th century arose amongst Ukrainian intellectuals, some of whom believed it was vital to promote their national language and culture, while others thought that writing about Ukraine was best done in Russian – indeed, the great Ukrainian poet, Taras Shevchenko, and the great Russian writer of Ukrainian descent, Nikolay Gogol, were contemporaries. In 1917, Ukrainian society split in three parts, one faction in favour of independence, while the other two parts opposed the "nationalists" by fighting with either the White or the Red Armies. A similar tripartite division happened during the World War II when Ukrainians were once
again divided by frontlines. The post-war Soviet regime, by monopolising political power and stifling free speech, left these controversies unresolved, frozen until the ice of communism melted and they re-emerged in independent Ukraine, successfully exploited by irresponsible politicians. Some people have chosen to cling to illusions spun by Soviet-era propaganda while others prefer to return to the pre-Soviet past, ignoring the world’s enormous progress since the beginning of the twentieth century. For that reason alone, the course of Ukraine during the 21st century should be different – much more modern and flexible.

Humans don’t normally think in long, historical terms, they want everything here and now. They want to live in a developed European country with decent living conditions, where there is no corruption, where the law stimulates initiative, respect for the individual is a requirement, and mutual aid is a necessity. But the lesson of the past twenty years seems that while we can ignore history, we cannot escape it. In 1989, the Soviets desperately tried to ignore the fact that their time was running out – no compromise, no escapade, no cunning plan could save the Soviet Union. In the same way, it is impossible to build a European Ukraine with mere declarations of intent.

I have no doubt that such a Ukraine will eventually appear. The question is, how long will it take to complete such an ambitious project? It may take not only several generations but the country may have to go through a series of disenchantments – with false promises, with simple answers to difficult questions, with rich patrons from abroad. Should we despair if we believe that the development of a European Ukraine may take many decades?

I’m not so sure it will take so long since historical processes have already sped up drastically during our lifetime. We were born into a world living in constant anticipation of another triumph of insanity, be it the Nazism of my parents’ time or the Soviet socialism of my lifetime. And suddenly Communism crumbled, reduced to a few poor nations whose regimes are living through their last years. Authoritarianism, whether right-wing, left-wing, or merely kleptocratic, is forced to do all it can to pass for democracy, to clothe itself in the alien garments of elections and competition. Even those trying to establish regimes based merely on their own absolute power are forced
to admit that there is no other alternative to democracy that they can offer to society. It is our job to fill these pseudo-democratic forms with true substance. Ukraine's path towards Europe will be a long and difficult one because it will also mean returning to the real world. Ukrainian society has to discover that values do have a meaning; that one works for the government so one can develop the country, not to steal from it, that the aim of journalism is to be an intermediary between the public and the state, not to serve the media owner and that law enforcement agencies are meant to fight crime, not cooperate with it. The list of such discoveries may be long, but they need to be made. And another important discovery should be made, the discovery of the outside world. After many years of living in the geopolitical periphery, Ukrainian society has lost interest in the outside world. It's unusual for a Ukrainian newspaper to have an international department; Ukrainian TV airs very little world news and people take little interest in it anyway. Many Ukrainians still see the world and Russia itself only through the eyes of the Russian media. So it comes as no surprise that these people have a distorted idea of the world, where they never learn from their past mistakes. On the other hand, what may prove decisive to the building of a modern Ukraine is the experience of more and more young people travelling abroad, adopting Western lifestyles, cultural openness and an interest in the world.

I'm not prepared to claim that Ukraine in 2029 will be a shining El Dorado, the richest, the most successful, and the most rapidly developing of all the European countries. No, it will still be a complicated nation, but the main thing is, it will exist and no one will any longer doubt Ukrainian sovereignty. I can imagine that in 2029, history textbooks could dismiss our current historical era with just one dry sentence: “Following the defeat of the first Ukrainian President, Leonid Kravchuk, in the 1994 election, his successors began to build an oligarchic state which was eventually dismantled after a series of grave economic and political crises”. And schoolchildren will barely remember the names of Leonid Kuchma, Viktor Yushchenko, Viktor Yanukovych and Yulia Tymoshenko, because that is the fate of all interim, transitory figures. They will be surprised to read about the current problems in Ukrainian – Russian relations because Russia will have become a totally different country in 20 years. I make this forecast sincerely and responsibly
because I believe that that change will only happen after “a series of grave economic and political crises”. The children of 2029 will be surprised to find out the previous generation, in that troubled time after the declaration of independence, had doubts about what civilisation to adopt, as if there REALLY was any alternative. On the other hand, these young people of 2029 will realize how far the world has come since the years of our confusion, how much catching up remains to be done, and how difficult it is for Ukraine to compete with developed, neighbouring economies. In other words, they are going to be realistic people living in a European country, not the richest one but striving for development. And that alone will be quite an accomplishment.

Born in 1967 in Kiev, Vitaliy Portnikov is a Ukrainian and Russian publicist. He graduated from the University of Moscow and was a reporter for the “Nezavisimaya Gazeta” (“Independent Newspaper”) covering the nations of the former USSR during the post-Soviet area. Since 1990, he has worked as a journalist for Radio Liberty. Since 1994, he has written for various newspapers and magazines including “Zerkalo nedeli” (Kiev); “Russkiy Telegraph”, “Vedomosti”, “Vremya MN” (Moscow); “Den/Day”, “Correspondent”, “Delovaya nedelia” (Kiev); “Telegraph” (Riga); “Estonia”, “Postimees” (Tallinn); “Polityka”, “Gazeta Wyborcza” (Warsaw); “Beloruskaya Gazeta” (Minsk). He is also a moderator for Ukrainian TV’s channels “K1” and “City”.
Johannes Vogel

“It is clearly in the German interest to encourage a stronger, more proactive role of its Eastern neighbors within the EU.”
There is a lot to be proud of, but still much to do to fulfill the mission

Whether 1990 indicates the "End of History", as Francis Fukuyama put it, or not, remains an academic question. Far more importantly, it finally ended the Cold War. In 1990 one of the saddest chapters in European history was finally closed, during which an entire half of the continent had been held hostage – pretty much exactly what Hitler and Stalin had planned in their pact in 1939. In fact, Central and Eastern Europe had been the victim of totalitarian regimes twice: First, Nazi Germany and its war of annihilation, then Soviet Russia and its puppet governments. While Europe's Western countries could breathe after 1945, the continent's East went on suffering from tyranny. Yet liberty prevailed at last and the whole continent was liberated.

Although 1990 meant major changes to every country in Central and Eastern Europe, one could argue that Germany had to cope with the most complex task. Not only had the international system altered in epochal terms, but also Germany itself. Not only external adjustments were necessary, but also the integration of two very diverse societies. Externally, Germany of course had to deal with significant skepticism. Although – for good reasons – there were not any reservations towards a recovered Lithuania, for example, there were many reservations towards a reunited Germany. Thanks to the firm support of United States President George H. W. Bush and the skilled diplomacy of Helmut Kohl's and Hans-Dietrich Genscher's government though, Germany was finally able to reunite in peace, freedom and with respect for its neighbors' perspectives and interests.

1990 posed various and unparalleled opportunities for Germany, but problems as well: Externally, Germany was not only viewed skeptically but on the other hand laden with expectations, as for instance, to lead, up to a certain extent at least, not only when it comes to nurturing productive and reliable relationships with the new Eastern European states, but also regarding the enlargement of the European Union, the economic power of Europe, the future of the European integration in general and the transformation of the role of NATO in a now globalized world. Internally, there were also huge
challenges: Our country couldn’t start over in the same way as everybody else, because in many aspects there was not a truly new Germany but only an enlarged one. That, of course, created special problems, for example by dealing with the all too fast approaching economic problems in the 1990s. There was basically no time to rest and to come to terms with the new self and identity.

But despite whatever problems one may want to diagnose, Europe's reorganization in 1990 has, certainly in historical comparison, been breathtakingly successful. After all, the progress is remarkable – not only regarding the reunification of Germany but also when it comes to Europe as a whole. Nowadays Europe has two main institutional pillars. Firstly, of course, the European Union, which was joined by important Eastern European nations in 2004 and 2007, so that today it actually lives up to its name. Secondly, and in no way less important, the accession of many former Warsaw Pact states to NATO has to be pointed out. 1999 and 2004 are important historical milestones in that regard. The European Union is now, finally, about to implement the Lisbon Treaty, to which the Central and Eastern European countries have contributed greatly. It is most obvious that from Tallinn to Sofia, from Berlin to Krakow, societies are flourishing again. Once the burden of socialism had been removed, Eastern Europe's individuals and societies made giant leaps forward. Beyond all quarrels, these are in fact the things to look at when it comes to assessing the last two decades. Infrastructure, pluralism, productivity, there is no facet, absolutely none, in which improvements aren’t manifest. Why is this analysis so important? It is, because great historical achievements come handy as sources of a common identity. Why not sit back and take a look at what has been achieved? All in all, the results are unmatched compared to other historical transformations.

This is not only true in a broader view, but also and especially from a German perspective. That NATO and EU states today comprise almost all of Germany's Eastern neighbors reveals tellingly the overriding interests of these nations, as well as, Germany's interests. It should not be forgotten, that Germany has been a strong advocate of the respective enlargement processes. That is no surprise and did not happen accidentally: Germany, as a nation which itself had to incorporate a society that had been ruled for
decades by communist dictators, is perfectly suited to promote and assist a closely integrated Europe. But after we looked at the achievements, we should also be aware of the problems we have and the mistakes that had been made. In the field of foreign policy, it comes to mind that Europe was unable to stop the killing on the Balkans for way too long. We were painfully slow to act as determinedly as we should have, when we faced this backlash to violence on our own continent and even horrible crimes against humanity. All the more, it is good to see how much stability we have achieved now and how all Balkan states are even seeking the membership in the European Union today. It is also positive from a German perspective, that our country learned painfully during the war in Kosovo, that a responsible foreign policy today sometimes needs a military component as well.

But German politicians made significant mistakes in domestic policy over the last twenty years as well. The most important example of this is the economic change we faced during the last twenty years. We started late and still have not finished the job of preparing our welfare state for the globalised markets of the 21st century and to match the demographic changes we are facing. The reason for this is our failure to use the necessity of building up a new economic system in the Eastern part of the country as an opportunity to build a more modern one for the whole nation – because we just adopted the 1970’s-style welfare state from the Western part without being able to face the fundamental need for change early enough. Unfortunately, this debate is still ongoing. So despite all actual crises, from a liberal perspective, there is much to learn for Germany from the younger democracies in Eastern Europe in economic terms – for example when it comes to low and simple tax systems.

That brings me to the question of where we want to go to in the coming 20 years. On domestic policy, I would like to give five examples of what the most important challenges are. Germany needs a better tax system as a push for economic dynamism and less bureaucracy for (new) entrepreneurs. We have to create a more flexible job market to make sure that we transform economic growth into jobs better than we do today. Examples like Denmark with their model of “flexicurity” show that these reforms do not necessarily lead to less social security but just to another, modern form
of it. But all that is not enough. The most important task for Germany for the next twenty years is to have the best and most successful educational system again. Our ambition must be nothing less, than to create the best education in the world again. This means making sure that every child gets individual support before school already, in terms of pre-school education. This means having schools and universities with different concepts compete with each other for the best way of encouraging young people and preparing them for the challenges they have to meet in the future. But most of all, this means to have more and better-motivated teachers and smaller classes, to make sure that every boy and girl gets the support they need.

In my perspective, these steps are the only way to appreciate every single citizen's potential adequately – no matter what their family background or social origin. But creating the finest educational system again is not only an ethical claim. It is also the only way to make our economy as innovative as it needs to be in the 21st century. Talking about innovation, we should not miss out on another crucial field of policy for Germany and Europe as a whole today: Immigration. As long as we do not understand the importance of immigration as a source of creativity today, we will fail to meet the tasks lying ahead. Germany desperately needs a modern immigration system – not only to make sure that we have real free mobility in Europe, but also to bring the best and the brightest to Europe and make them want to come here instead of going to the United States or elsewhere in the world. The fifth and last example I would like to mention is the preservation of our civil liberties. During the German debate about the inevitable fight against terrorism, we had a worrying expansion of observation rights for the state over the last years. From a liberal perspective this is alarming and we definitely need to push back some of these "innovations" in the coming years – because if we don't, we will lose the fight against the enemies of liberty by eliminating the liberty in our society even before any terrorist could succeed in doing so.

But we should not miss out on the opportunities that have come along since the in any sense historic turnaround of 1990 in the field of foreign policy, too. The partnership with Germany's Eastern neighbors has to be much closer than it is now. Of course it is sometimes difficult, but Germany has much to gain by being sensitive to Polish or Czech interests. Especially
in its relations with Russia – and to make that clear: good relations with Russia are surely a German interest, but not solely on Russian terms – Germany has to pay close attention to the Eastern Europeans' perspectives and interests. The Eastern European zeal for liberty was crucial in bringing down the Soviet Union, there is no reason why it shouldn't be crucial to Europe's future. In fact, as already mentioned, Germany and some of the older members of the EU ought to regard Eastern European inventiveness, dynamism and openness as an example of how to deal with problems and changes. The shared history, not only of the 20th century, but also of the centuries before, is often seen as a source of continued tensions. There is no reason not to lay an emphasis on the astonishingly fruitful coexistence of Central and Eastern Europe's peoples. Central and Eastern Europeans know painfully well that liberty can easily be jeopardized. Resorting to national protectionism has never been – and will never be – an adequate answer to economic or other problems. Yet, while Germany shares interests with many of its Eastern neighbors, government cooperation is far from being institutionalized as properly as it is with France, for instance. So the Weimar Triangle is a road to follow. It is clearly in the German interest to encourage a stronger, more proactive role of its Eastern neighbors within the EU. This will help to achieve further progress, the historically strong connections among the Central and Eastern European countries ought to be fostered. Cultural cooperation and exchange is growing, but needs to be broadened. In addition to that, Eastern Europe's markets are still not as developed as Western Europe's. So there is much economic potential which hasn't come to life yet. In my perspective, stronger cooperation in the region is an important element for stronger cooperation in Europe in general. From a German young liberal perspective, European integration has all but come to an end. The Lisbon Treaty is a good step forward, but we need to further democratize our common institutions on the way to any kind of "United States of Europe". Europe finally needs to be able to speak with one voice on the world stage. If we want a 21st century world of peace, liberty and universal human rights, we need to take responsibility for that on a global level. That said, I know that there is a long way to go to implement that mentality especially in Germany – the difficult debate about our military engagement is just one example for that.
I would like to end by mentioning some principle thoughts and concrete policy suggestions, which come to mind while thinking about how to continue on that way:

• When President George H. W. Bush offered “partnership in leadership” to a united Germany some 20 years ago, Germany accepted the offer regarding some aspects, with regard to others it certainly didn’t. Important though was the fact of the offer being made. With respect to the EU, Germany should show a similar gesture to its Eastern neighbors.

• The notorious German question has finally been given a European answer – had it not been for the Eastern European nations, the course of history would have gone differently. Remembering our truly memorable success of 1989/90 is a worthy task.

• There should be no national restrictions on the EU’s set of rules among Central and Eastern European states. While Germany should accept freedom of establishment and services for all EU citizens from the East, Poland, for example should never have legally banned EU foreigners from purchasing land.

• Energy security – probably one of the most pressing issues today—the policy accompanying the North Stream Pipeline cannot be an example for the future.

• Any defense system, like the one which has recently been planned in cooperation by Poland, the US and the Czech Republic, should not be condemned prematurely. Russian interests should be considered as well as the interests of other Central and Eastern European countries. A cooperative solution seems almost always possible, especially as proliferation is a threat to any of the above mentioned states.

In summary, one could say that the years 1989-1990 liberated Central and Eastern Europe and that there is a lot to be proud of. But twenty years later, there is undoubtedly still much to do to honor that heritage and fulfill the mission!

Johannes Vogel was born in 1982 in Wermelskirchen, Germany. In 2009, he finished his studies of political science, history and international law. He has been President of the German Liberal youth organisation "Junge Liberale – JuLis" since 2005. Since autumn 2009, Johannes Vogel has been Member of the Federal German Parliament.
Two decades ago, all people in the region called Central, East and Southeast Europe, South Caucasus and Central Asia (‘CEE/CA’) lived under communist regimes. In a short time, by a historical perspective, the people in many of these countries succeeded in establishing democracies and free-market economies. The Friedrich Naumann Foundation for Freedom (‘FNF’) supports this continuous transformation process and these countries' integration into a free and democratic Europe.

Our major tasks are the promotion of democracy, a constitutional state, pluralism and a free-market economy. To achieve our goals, we apply the classic instruments of political education, political counselling and dialogue such as conferences, workshops or study visits. Also, unconventional methods such as theatre performances or informal discussion forums are used when the political framework justifies it. Each year, the Foundation organises some 600 meetings with several thousand participants in the CEE/CA region. A close network of political parties, citizens' initiatives, human rights organisations, think tanks and scientific institutions forms the basis of the Foundations’ activities.

The CEE/CA region is divided into six sub-regions: Central Europe and the Baltic states, Ukraine and Belarus, Western Balkans, Southeast Europe, Russia and Central Asia and as well as Southern Caucasus, each of which cover several countries. At present, the regional office coordinates CEE/CA initiatives in 27 project countries. The Foundation has 40 representatives in 11 offices to carry out its work in the region.
The Friedrich Naumann Foundation for Freedom in Central, East and Southeast Europe, South Caucasus and Central Asia

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