

**CENTRAL AND
EASTERN
EUROPE:**

**THE
OPENING
CURTAIN**

Edited by William E. Griffith



AN EAST-WEST FORUM PUBLICATION

Central and Eastern Europe: The Opening Curtain?

EDITED BY

William E. Griffith

Massachusetts Institute of Technology

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Central and Eastern Europe

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Preface

The East-West Forum, located in Washington, D.C., and New York, is a research and policy analysis organization sponsored by the Samuel Bronfman Foundation. The Forum aims to build a bridge between scholarship and policymaking. It brings scholars and policymakers together in seminars, briefings, and conferences and in the production of books. Through this process it hopes to generate reliable information and high quality analyses that will prove useful to those engaged in the debates that shape and will shape U.S. policy during this period of significant changes in East-West relations.

As with the Forum's earlier works, the authors of the chapters in this book subjected their work to a series of critical editorial workshops sponsored by the Forum. Aside from the authors, the participants of the workshops were Timothy Garton Ash, Vernon Aspaturian, Istvan Deak, Pierre Hassner, Hanns-Dieter Jacobsen, Ross Johnson, Karl Kaiser, Melvin Lasky, Paul Lendvai, Kerry McNamara, John Michael Montias, Edwina Moreton, Robin Remington, Joseph Rothschild, Volker Rühle, Jutta Scherrer, Enid Schoettle, Rudolf Tökés, and Sharon Wolchik.

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The Forum plans to continue providing useful information and analyses. The continued participation and help of these individuals and others will be invaluable.

*James M. Montgomery
Executive Director
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William E. Griffith

Introduction

For more than forty years the West has lived in the shadow of danger from the East. Enormous sacrifices, tragedies, and outlays have been a part of the heavy cost borne by the United States and the Atlantic Alliance in the face of the Cold War. Today, however, there is a new Soviet leader in the East and the possibility exists that changes in his country will affect and perhaps even interrupt the harsh pattern of East-West relations that has unfolded during these four decades.

In its first two books, *Gorbachev's Russia and American Foreign Policy* and *Politics, Society, and Nationality Inside Gorbachev's Russia*, the East-West Forum sought to illuminate the potential for change in today's Soviet Union. In this, its third volume, the Forum's objective is to understand and analyze—in both political and Western policy terms—perhaps the greatest non-Soviet challenge to General Secretary Mikhail Gorbachev's *perestroika*: Central and Eastern Europe.

Eastern Europe has always been at the heart of the forty-year-old pattern of East-West relations. Indeed, historically the region has for decades been a birthplace of unpredictable and dangerous events. The Cold War, after all, started in Eastern Europe; if it is going to end, it has to end there.

These are extraordinary times in Eastern Europe. We see there more political flux and uncertainty than at any time since 1956. The current mixture of political uncertainty, economic difficulty and Soviet-East European tensions may place the region on a more volatile footing than at any time since the Cold War began.

Today, the people of Eastern Europe want their own *perestroika* because their systems—like the USSR's—are simply not working economically. In fact, Gorbachev's arrival on the political scene and the accompanying reforms he has ushered forth are a main catalyst for the flux and uncertainty in Eastern Europe. The Soviet Union and its General Secretary remain the major influences on the region. Although Gorbachev's reforms, given fundamental historical and cultural distinctions, affect Eastern Europe and the Soviet Union differently, *perestroika* has a much greater potential for implementation in Eastern Europe than in the USSR itself.

At present, Soviet policy toward Eastern Europe, like Moscow's policies toward other parts of the world, is driven by an overriding emphasis on internal reform. As a result, the Soviet leadership's goal in Eastern Europe is a negative one: to avoid crisis. Gorbachev seems to realize that, as has happened in the past, an explosion in the region could derail his reform

efforts at home. Historically, there has been an important if shadowy interrelationship between reform in the Soviet Union and in Eastern Europe. The efforts of Alexei Kosygin, the yearning of Czechoslovakia, the spark of Solidarity, and the arrival of Gorbachev's *perestroika* were and are all connected even if the nexuses are difficult or impossible to sketch out. Leonid Brezhnev and the interim leadership that followed him could not see and benefit completely from this historical lesson. Gorbachev can.

Perhaps as a result, Moscow is permitting the individual ruling parties in Eastern Europe more latitude now than they enjoyed in Brezhnev's day. Indeed, Soviet spokesmen sometimes point out that their nation cannot be held responsible for what happens in the region because it does not completely control the local parties. That is true. The recent and relatively "conservative" behavior of the Czechoslovak and East German parties can hardly be to the General Secretary's liking.

Yet Moscow, for all this new tolerance, will not be infinitely flexible in Eastern Europe. The Soviet empire there remains vital for a variety of reasons—ideological, national and strategic. Some Soviet spokesmen say the Brezhnev Doctrine has been repealed and that Soviet troops will never again invade a neighboring Communist country to enforce ideological orthodoxy. Western policymakers, however, cannot be certain of this even if those making such statements are. The limits of Soviet tolerance remain unclear. Perhaps events like those that occurred in Czechoslovakia in 1968 are now tolerable, but an uprising of the kind we saw in Hungary in 1956 would not be. In any case, Moscow will insist no country leave the Warsaw Pact; and the Kremlin may be determined, too, that the various Communist parties retain their monopolies of effective political power throughout Eastern Europe.

At the bottom of this is the fact that Soviet attitudes toward Eastern Europe are changing. What is unacceptable now may become acceptable five years hence—assuming that the process of reform remains. Thus, as in the past, the Soviets' sense of what is permissible in the empire is closely tied to what they seek, and what they are willing to tolerate, in their own country. Soviet reformers optimistically say they can build a socialist system that is humane, just, prosperous, and different from capitalism—one that the peoples of Eastern Europe will welcome. History and reality, however, argue that such a vision of socialism is unachievable and that any system that comes from the East will leave the peoples of Eastern Europe discontent.

There is also a second fundamental reason for the turmoil in Eastern Europe: Each of the regimes there is in crisis. Importantly, in every case, the root of this crisis is the political illegitimacy of the Communist governments of the region. All were imposed by the Soviet Union. None has ever won genuine acceptance. It is one thing to tolerate a Communist regime when standards of living are rising; it is quite another when the economies of Eastern Europe are, to one extent or another, failing.

The failure of communism in Eastern Europe is a broad one. It is a failure not just of particular policies, but of the systems themselves. It

includes not only Poland and Romania, but also the postwar "success stories"—Hungary and even the German Democratic Republic (GDR). Moreover, this failure is not just economic. It is political.

There is another feature common to all of the region's countries: the rise of nationalism. Some regimes, such as the GDR, have used this development to try winning legitimacy. Others, as in the case of Bulgaria's treatment of its Turks and Romania's governing of its Hungarians, have attempted to exploit the resentment of ethnic minorities for their own ends. Most dramatically, in Yugoslavia, nationalist passions threaten the very structure of the state.

Thus, as the eighteen following chapters attest, the individual states of Eastern Europe find themselves at a political crossroad. In Poland, probably the country closest to explosion, there exists today a mobilized population and a weak government that favors reforms but is so distrusted it cannot implement them.

In Hungary, a nation far less divided than Poland, the old leadership of János Kádár has been retired. Economically, the living standard of Hungarians is better than that of the Poles. Yet the country carries a heavy external debt, and the economy, never as thoroughly reformed as the West generally believed, is lagging. Today, there is strong pressure for change and even talk of a multiparty system.

In Czechoslovakia, by contrast, official policies run largely counter to the prevailing currents in Moscow. Prague's leadership is conservative. The closest thing to a reformer in its ranks, former prime minister Lubomír Štrougal, was recently removed. And the Czechoslovak people are still in great measure traumatized by the events of 1968 and afterward. Nonetheless, slowly, they are beginning to show signs of political life, as was evidenced in August 1988 by the extraordinary demonstration in Prague during the twentieth anniversary of the Soviet invasion.

For the GDR's part, there has always been an important element differentiating it from the rest of Eastern Europe: its relationship with West Germany. This relationship includes massive West German economic subsidies that help stabilize the GDR. Furthermore, East Berlin's leadership is conservative, has publicly scorned *perestroika*, and is, in turn, privately disliked in Moscow. Also, it should be noted, that leadership is old. Prospective successors are reportedly more flexible.

In Romania, Nicolae Ceaușescu is likely to fail continually in his attempt to establish socialism in one family. When he leaves the scene, so will his relatives; this will itself be an improvement. Yet the outlook for Bucharest, with its economy ruined, is bleak.

In Yugoslavia, one of two Eastern European states not a member of the Warsaw Pact (Albania is the other), the government is also experiencing the exhaustion of its own modified version of socialism. Yugoslavia's deep ethnic, religious and national cleavages—long suppressed but never eradicated by Marshall Tito—have taken on a new centrifugal and politically explosive quality. With public life increasingly revolving around these divisions,

particularly the reassertion of Serbian nationalism, Yugoslavia risks slipping back into the bloody and contentious pattern of politics it followed in the prewar period.

What, then, should be Western policy for the region? As is pointed out in the final section of this volume, both the peoples and governments of Eastern Europe want more Western ties—but for different reasons. East European peoples identify with Western values and institutions. Their governments seek economic resources to stave off political turmoil. Nevertheless, the actual record of Eastern European governments in using economic assistance is poor. Loans have been wasted, most dramatically in Poland. What is needed is not more money, but sweeping internal reforms so that existing resources are used more productively.

Thus, reforms of specific policies are needed, such as an end to the wasteful subsidies these governments provide for food, clothing and shelter. Changes of economic strategy are also in order—for example, an end to the overemphasis on heavy industry. Most important, changes in and of the economic system itself are required, including the use of real prices, the introduction of market mechanisms and the drastic dilution of the power of central planners.

This change will be difficult. Removing subsidies could trigger political unrest; this has been the pattern in postwar Poland. Moreover, needed economic changes could limit the power of the party, which Eastern European Communists will not be anxious to permit.

Another important element in the West's promotion of East European reform involves targeting nongovernmental bodies, of which there are several in Poland. Joint ventures with Western firms enjoying majority control is another way to drop reform behind the Iron Curtain.

Ultimately, the Federal Republic of Germany will be one of the most important Western countries for Eastern Europe. Geography and history explain this; part of Germany has been part of Soviet Eastern Europe. For twenty years, the West German presence in Eastern Europe has grown steadily, if unobtrusively.

West Germany, therefore, practices a particular policy toward the East. Above all, Bonn is motivated by a concern for Germans—in the GDR and elsewhere; it tries to increase contacts with Eastern Germans as much as possible, in pursuit of the Federal Republic's stated goal of preserving a single German nation. Of course, the Communist governments of the region can shut off these contacts. This is why West German policies, invariably, emphasize conciliation.

This policy is supported across the West German political spectrum. It does, however, at times put Bonn at odds with Washington and with its own European allies. U.S. policy toward Eastern Europe often stresses security and politics; West Germany's emphasis is on economics as a means to bring about political change. Washington tries often to deal directly with the peoples of these nations; Bonn is more willing to work through the regimes. Washington and Paris tend to emphasize human rights; Bonn tends

to be more concerned about influencing East European governments in their de facto behavior toward the human beings they control. Finally, in the past, Washington has been far more willing to practice policies of pressure, leverage and conditionality than have West Germany and its European allies.

Thus, together, the arrival in today's Soviet Union of *perestroika* and the new and complex volatility present in each of the Central and Eastern leadership circles pose a serious and unprecedented challenge for Western scholars, opinion leaders and policymakers. A region that has always lain at the heart of East-West conflict but has seldom rested near the top of the policy agenda is today being thrust front and center. What will be the pace and form of Central and Eastern European reforms? How will the Soviet leadership—with its “new thinking”—adjust to these regional changes? Is there an “opening” in the Iron Curtain Winston Churchill described as having descended upon a postwar continent? Finally, can the West coordinate its policy toward the region?

Edgar M. Bronfman
President, East-West Forum

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1

Central and Eastern Europe: The Global Context

William E. Griffith

The global high-technology revolution and the inability of Communist leaders of Central and Eastern Europe to cope with it are driving these countries, and the Soviet Union, into further decline vis-à-vis the Western developed world. Their relative decline is the worse because for the first time since 1945 this revolution centers outside Europe, in East Asia and the United States, against which this decline must now be measured. The economic and technological revival of Western Europe, especially of the Federal Republic of Germany (FRG), the only state with a compelling political as well as a traditional economic interest in Central and Eastern Europe, and the European Community's (EC) revived move toward unity make the EC, and most of all the FRG, an increasingly important economic, financial, and technological partner for these Communist countries. Even so, despite Mikhail Gorbachev's probable inability to catch up with the West in high technology, the Soviet Union will still keep its predominant influence over its key strategic allies, the German Democratic Republic (GDR) and Poland. Nevertheless, continuing Soviet technological backwardness will intensify the decline of Central and Eastern Europe.

The high-technology revolution has other negative consequences for Communist Central and Eastern Europe, as it does for other declining countries, including much of the Third World. The more important high technology becomes for economic growth, the more economies require better educated and skilled personnel, more emphasis on meritocracy, and therefore less on egalitarianism. Communist ideology and working-class sentiment oppose this. So does the ruling Communist political-bureaucratic intelligentsia, the *nomenklatura*, because massive replacement of ideologically but not technologically qualified managers is one precondition for success in high technology. Finally, this revolution, like the first Industrial Revolution, increases disparities between and among more and less developed states: in Central and Eastern Europe, for example, between East Germany and Poland and between Slovenia and Macedonia.