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1989 in Eastern Europe

Eastern Europe: revisiting the ambiguous revolutions of 1989

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Twenty years after the fall of the Berlin Wall, Timothy Garton Ash wrote that ‘in 1989, Europeans proposed a new model of non-violent, velvet revolution.’ [1] Some years earlier, instead, he had used an interesting neologism – ‘refolution’ [2] – to describe the kind of systemic changes that had occurred, combining features of revolutions and of reforms from above. I want here to support and develop the neologism against the ‘pure’ epithet, as being more accurate to analyse the very ambiguities of the historical transformations that put an end to the ‘bipolar world’. I will argue, that the mobilised democratic movements, which occurred before 1989, were both against the ruling nomenklatura and not in favour of the main socio-economic transformations introduced since 1989. It is necessary to look behind labels and ideological discourses to take into full account the role of ‘bipolar’ international ‘deals’ still at work in 1989, but also the role taken by leading figures of the former single party in opaque forms of privatisations: that means the lack of any real democratic procedure of decision making about the main reforms which have had plenty of counter-revolutionary substance. Popular aspirations were expressed massively in revolutionary upsurges against the single party and Soviet domination like the Polish Solidarność movement in 1980-1. And this movement was closer to the Prague autumn of workers councils in 1968 against the Soviet occupation, than to the 1989 neoliberal shock therapies. Those embryonic revolutions towards a third way were repressed and dismantled by the bipolar world’s dominant forces through different episodes, because the mobilised democratic forces were an alternative to the existing political order which tried to impose its own end, a reality hidden by Cold War concepts and the transformation that followed 1989.

The 20th anniversary of the fall of the Berlin Wall in 1989 has been a particular opportunity for many countries to commemorate that historical event, leading to systemic changes up to the end of the Soviet Union in 1991. In spite of different scenarios in Eastern Europe, 1989 has been described as ‘year of revolutions’. Timothy Garton Ash stresses how different those ‘revolutions’ were from the usual violent ‘model’ of such radical changes elsewhere: ‘in 1989, Europeans proposed a new model of non-violent, velvet revolution.’ [3] But the specificities are probably elsewhere.

Ideological bias of Cold War concepts

Without engaging here in semantic debates or accepting rigid ‘models’ or norms, one can certainly reject the reductionist identification of revolutions with organic violence. And we can reasonably take for granted that this notion covers two interlinked features and meanings: a broad popular (social) mobilisation against fundamental aspects of an existing system on the one hand, and on the other hand the result of those movements, that is getting rid of the ruling structures and dominant social forces of the system and introducing new ones with symbolic and ideological dimensions. Even if gaps (disillusionment) always exist between the popular hopes and demands and the accomplished changes, the ‘revolutions’ express an organic link between both aspects: that is mass movements being needed for radical changes. It is rather obvious that the use of the term ‘revolutions’ in liberal-oriented milieus and media to characterise the 1989 historical turn associates popular (democratic) rejection of the repressive dictatorships with what is described as ‘the end of communism’. In so doing, a democratic legitimacy is given to the changes and four implicit equations are established: the former rule of Communist parties (CPs) are equated with ‘communism’; popular rejection of those past bureaucratic and repressive regimes is identified with demands for

the political and socio-economic changes introduced after 1989, as part of the neoliberal capitalist globalisation; the latter is identified with democracy; and all opponents of the past (communist) regimes are identified with anti-communists. Those dominant equations are all but convincing.

As a matter of facts, labels were and are still confusing, especially 'socialism' and 'communism' which cover, first, ideals of a non oppressive society without classes and aiming at the satisfaction of human needs through their individual and collective direct full responsibilities. This does not give a 'model' but only principles and aims that are shared by those who still believe in that 'concrete utopia'. It includes in their thoughts the means to go towards these ends, and a critical approach to all experiences, including those which claimed to be socialists. The second meaning of those worlds covers systems or parties as concrete historical formations, having adopted those labels at a certain moment of their history, and developed concrete institutional 'models'. Inside or outside those systems or parties, individuals or movements can criticise the concrete model or experience because of its distance from the ideals. The main historical reasons for the gap between ideals and reality, and the resulting ideological ambiguities and confusion behind labels lies on the one hand with the international evolution of 'socialist parties' towards integration in the capitalist world order and more recently towards its neoliberal variants, and on the other hand the Stalinisation and more generally the bureaucratisation of the 'socialist revolutions' of the 20th century, and since the 1980s the role played by many ex-communists (or even, in China, still 'communists') in the process of privatisation and insertion in the capitalist world order. The classical 'right' and 'left' divisions are themselves often opaque.

I will not deal here with the conceptual debates which have divided – and still divide – even Marxists themselves about how to characterise the Soviet Union and its sister countries. [4] The main crises and social upsurges within the former 'communist' societies and the concrete process of their transformation since 1989 convinced me that 'pure' concepts to characterise them (either 'socialist' or 'capitalist', or 'new class') cannot permit to grasp their main contradictions – namely, the historical context of the 1980s leading at the end of that decade to a specific turn of large parts of the bureaucratic apparatus of the Communist parties' (CPs) bureaucratic apparatus towards insertion in the world capitalist system, and the popular ambivalent feelings and specific conflicting relations to those states/parties – which played a key role in the opacities of the capitalist restoration. Those parties were ruling on behalf of the workers (which meant a non-capitalist and paternalist form of social protection) – but at their expense (repressing all autonomous movements of the workers). Considering those parties as classical political bodies is obviously wrong. But reducing them to the (real) feature of state apparatus denies any historical and political influence on their way of functioning, and the role the socialist ideology which they used to legitimate themselves. This is also reductionist, one-sided and misleading.

The same dual aspects lies behind the analysis of the kind of bureaucratic 'social ownership' which characterised – under different variants, including decentralised self management – the former regimes claiming to be socialist. They suppressed private property as a dominant feature not in limited circumstances but as a 'constitutive' and ideological factor that limited the domination of market in such a way that the money could not play the role of 'capital' (money invested to 'make money', that is profit). The party/state nomenclatura managed the economy, but did not own shares and could not transform its privileges of power, consumption and management into real ownership rights that could be transmitted to heirs: the official (legal) 'real owners' were the workers (every one and no one in particular) or even the 'entire people'. But all that also meant there were neither the right to carry out economic lay-off nor to enter into bankruptcy procedures. The right to strike was forbidden (the workers would not strike against themselves, said the regime). And the trade unions were the transmission belt of the decisions of the party, not organs of defence for workers. But the way the labour force was stabilised in big factories was through the distribution of increasing 'social income' under the form of flats, products, health care or childcare services associated with jobs – and a 'good attitude'. The dominant, paternalist and repressive role of the party prevented any independent and consistent power of decision making for the workers, but the single party was ruling on behalf of socialist ideals and claiming to implement them. The 'socialist' legitimisation of the regimes was established through a high level of social protection, ideological praise of the labour force's creation of the wealth, and relatively high 'egalitarianism'.

The party's strength would have been reduced if it was only an apparatus. The integration from rank and file members of the party, and in its broad 'mass organisations', of the 'best' socialist workers and intellectuals was both a mean to channel, control and if 'necessary' repress their initiative and to give a legitimacy or a 'social basis' to the regime. The popularity of the official ideology was reflected by ambiguous relationships: dominant trends of resistance and alternative movements have been, consciously or de facto, aimed at reducing the gap between the official socialist ideals and the reality. Many rank and file members of these CPs simply tried to implement those ideals which were popular. That is also why so many party members were involved in the huge upsurges that occurred in 1956 in Poland or Hungary, in 1968 in Czechoslovakia and Yugoslavia, or even in the Polish Solidarno??, in 1980-1. But all of them suffered repression by the ruling apparatus as it feared the loss of its privileged position of power and control. [5]

All this cannot be analysed without going behind the dominant labels. As already stated the former 'communist' party/state was of course not a real political party (e.g. there was no right for alternative tendencies, no real and free votes in congresses). But it combined different features: an apparatus with bureaucrats having privileges of power; but also a set of mass organisations attached to the party, among which the cultural ones played a kind of political role with a fair amount of critical approaches. In spite of Stalinisation (even analysed not only as deformation but as a kind of counterrevolution within the revolution [6]) the regime continued to use a socialist ideology to legitimise itself both nationally and internationally (within the anti-capitalist and anti-colonialist social, trade-union, political scene). In the period of real 'catching up' (up to the 1970s) with a high extensive growth of production and improvement of standards of living, these regimes could be perceived as an alternative to capitalism, and an improvement in the global balance of forces for those who resisted imperialist colonial policies. But the Stalinisation of the Soviet Union had also transformed it into yet another 'great power' wanting to control its 'sister countries' as much as its own workers.

Membership in these parties in power could be sought for a broad range of (changing) motivations, ranging from cynical use of the party card to get privileges to sincere communist and anti-imperialist convictions. The practical choice to try and reduce the gap between the official ideology and the reality included both explicit involvement in intellectual and popular anti-bureaucratic criticisms and upsurges, and simple daily promotion of horizontal fraternal relationships and activities. In between, there were all those without sophisticated ideologies who were born into the system and were looking for positive aims and concrete gains for themselves and the people around them by using the rules and with a little help of the party card – so long as such gains did exist. Ideological bias and Cold War concepts provide limited complex objective sociological and political analysis about these specific conflicting societies. [7] The relationships between these regimes and their populations have generally been presented in black and white – from both sides of the bi-polar world.

The Stalinised Soviet Union behaved as a 'great power' dealing with (in Yalta) or conflicting with (during the Cold War) other 'great powers' over the back of 'fraternal regimes' and people. The Yugoslav Communist regime (called 'Titoist' from the name of his leader, Josip Broz known as 'Tito') was 'excommunicated' in 1948 by the Kremlin. This meant absolute isolation, political and physical repression of all links with the Yugoslav regime within the international Communist movements (especially in Hungary, Poland, Czechoslovakia). After Stalin's death, Khrushchev came to Belgrade in 1955, and made apologies and promises to respect different socialist 'models'. But in spite of that (and of the hope of a 'de-Stalinisation' of the Soviet Union at the 20th Congress of the CPSU where 'K' denounced Stalin's crimes and the Gulag), Moscow continued – in 1956 in Hungary and in 1968 in Czechoslovakia – to slander and repress alternative socialist movements and figures by fear of uncontrolled democratic dynamics. Past official communist movements supporting the Soviet Union as the motherland of socialism censored and repressed as 'anti-communists' all of its opponents. And, in general, that included all movements or individuals who criticised the gaps between socialist ideals and the reality who were looking for a 'socialism with human face'. Social gains introduced by these regimes were supposed to 'prove' their socialist reality; but they were in fact far from real social rights because autonomous activities and initiatives which they could have de facto stimulated, were under the control and repressed by an apparatus which wanted to keep its monopoly of power.

Anti-communist ideologies at the time were too pleased to identify these regimes with any kind of communist ideals as such, and to reduce communism to the repressive aspect of the Soviet reality. Like new official 'democratic' (pro-market) regimes – especially when dominated by former members of the communist nomenklatura – they tended to deny or (now) suppress recognition of any progressive gains from those past regimes, which are reduced to Gulag. The whole short 'Soviet century' is now presented as an artificial parenthesis in a European history and civilisation which is only 'western' and supposed (wrongly) to have been unified in the past: the slogan 'return to Europe' is heard as very arrogant and ignorant for the majority of these populations.

There was a paradoxical convergence of Cold War approaches (defending the communist regimes or cursing them) in claiming that the former societies were 'communists' and therefore all opponents, or simply critical citizens could only be anti-communists dissidents. The reality was certainly otherwise: different kind of political currents and aspirations existed, including in period of crisis of the former systems. But it remains to analyse what aspirations and dynamics were dominant, which we will try to do in the last part of this text. Hence '1989', or more broadly the different national scenarios and phases of crisis and changes in the Eastern European countries is an issue at stake in alternative interpretations and memories. [8]

Popular demand for individual and collective freedoms in past (or present – in Cuba or China) 'communist regimes' do not 'belong' to a particular current. They were expressed in broad fronts in 1989 and before then, as in Czechoslovakia in the dissident movement called Charter 77 or the Civic Forum it established in 1989 where Communists and anti-communists individuals coexisted and fought together for their freedoms. Similar demands were put forward in democratic upsurges against single party dictatorship and the Kremlin's domination, in 1956 in Poland and Hungary, 1968 in Czechoslovakia and Yugoslavia, 1980-81 in Poland. So the very question of continuities and discontinuities between those democratic upsurges and 1989 are at the core of conflicting views. That is the very question I will discuss at the end of this text.

International factors and Cold War deals before 1989

The opening of archives and commemorations of 1989 in 2009 leave no doubt about the key importance of international hesitations and 'deals' in a specific context around the issue of Germany. But although 1989 was a 'turning point', it was neither a sudden 'event' nor a pre-conceived and controlled scenario. We have briefly to go back to the 1970s, to remind ourselves of a crucial period of crises and changes in the international capitalist world order, while the neo-Stalinised world became itself more and more fragile.

From the stagnation of the 1970s and the arms race to the fall of the Berlin Wall

The 1970s had been dominated in Eastern Europe by the freezing of internal reforms. Whatever had been their limits, these reforms were aimed at increasing a certain degree of decentralisation (in general at the benefit of managers, but in Yugoslavia with increasing workers rights of self management) and some market pressure to reduce bureaucratic waste. Their main contradictions were socio-economic and political: on the one hand they increased inequalities and instability according to market pressure – which was rejected by workers as contradictory to egalitarian values and by conservative sectors of the bureaucracy who feared to lose their domination. On the other hand, precisely in order to overcome social resistances, the reformist wings of the apparatus opened the doors to more freedoms – but then, social and intellectual movements from below would develop without respecting the limits of the reforms of the single party regime: this was illustrated by the development of spontaneous workers councils in 1956 in Poland and Hungary, demands for 'self-management from top to bottom' and self-managed planning opposing the market reforms and the 'red bourgeoisie' in Yugoslavia in June 1968, and all features of a 'socialism with human face' like in the Prague Spring and Autumn of workers councils (to which we will come back

at the end of this text).

So the reforms were blocked after repressive episodes, and the intervention of the Warsaw Pact tanks in Prague. But a new decade of relative growth (by comparison with western countries) occurred based on increasing credits and imports in some key Eastern European countries. This opened the floodgates to western products in order to modernise their economies and so respond to consumer aspirations of the population. The rather high rate of growth in the South and in the East by comparison with the 'stagflation' in the core capitalist countries was attractive for western banks: they increased their international loans, looking to use in a profitable way the deposits they had received in dollars from Arab countries after the oil price hikes.

The 1970s had also been a decade of relative 'stagnation' in the Soviet Union when the Kosygin's reforms had been pushed back and the old guard around Leonid Brezhnev clamped down. It was therefore a period of high social protection both for workers and for the bureaucrats in power but of slowing down of productivity and growth.

At the end of that decade, the Soviet intervention in Afghanistan opened up the last phase of the Cold War and of the arms race with a radically different effect in the two parts of the bipolar world. The huge military expenses and foreign borrowing legitimised by the 'Star Wars' programme against the 'communist danger' helped the new US President Ronald Reagan to relaunch the US economy (with a considerable budget deficit) and begin to re-establish the deteriorating hegemony of the US. The 'neoliberal' turn in Britain in 1979 under Margaret Thatcher and in the US in 1980 with Ronald Reagan turned out to be a counter-offensive against all systems, programmes and labour rights which, after the Second World War under the pressure of the bipolar competition, had reduced inequalities, promoted the welfare state and protected the labour force from market competition. The technological revolution was mobilised in order to reorganise the productive space and dismantle trade union bastions or other forms of collective capacities of negotiation. Meanwhile, the free flow of capital and suppression of social and national protections required the imposition of generalised market competition under the new rules of US-led international financial institutions. The debt crisis (in the post-colonial countries of the 'South' and in some Eastern European countries) became the central vector of 'conditional credits' and policies of 'structural adjustment' aimed at opening these societies to generalised privatisation and competition – what has been called the 'Washington consensus'.

The arms race weighed heavily on the USSR – unlike the US: military expenditure caused a drain in other areas of the budget, in particular spending on infrastructure and Soviet industrial equipment, which were fast becoming obsolete. And during the very same period, relations at the heart of the Comecon (Council for Mutual Economic Assistance) became strained by years of foreign borrowing in hard currencies that were without precedent in many of the key Eastern European countries: Poland, Yugoslavia, Romania, Hungary and East Germany.

The increase in interest rates in the United States (with a radical monetarist policy) at the beginning of the 1980s provoked a chain reaction on the variable interest rates of those international credits contracted from private banks. This increased suddenly the level of the debts in Eastern European 287 countries (as well as in the South) while reimbursement through exports was difficult in the context of the slowdown in world growth and the weak competitiveness of their products.

The response of the Communist parties in power in Eastern Europe to this debt crisis differed. In Poland, the Gierek government decided on a price increase for consumer goods that produced the explosion of strikes leading to the establishment of the first independent trade union (with some ten millions workers) in Eastern Europe, Solidarność (Solidarity). After its first and last democratic congress, martial law was imposed by the (communist) General Jaruzelski followed by nearly a decade of repression and absolute fall in production up to 1989.

In Romania, President Ceausescu imposed the repayment of the entire debt over the course of the 1980s, through a violent dictatorship enforced against his own people. His peers were in favour of trying to keep their own power, while

making the dictator pay for his unpopularity, by way of his assassination during a pseudo 'revolution' at the turn of the 1990s.

In Yugoslavia, the 1980s were marked by the paralysis of central institutions, which were incapable of making people accept the federal policies of repayment of a debt that was opposed by both workers and the republics. Soaring inflation reached triple figures and multiple resistances were expressed through thousands of scattered strikes combined with an increase in nationalist tensions. The widening of the gap between the republics, which had become the real centres of decision making since the decentralising reforms of the 1960s, and the disintegration of solidarity foreshadowed the break-up of the federation. The last Yugoslav government of Ante Marković, tried to impulse a radical liberal shock therapy and transformation of social ownership in 1989, but he was confronted by different republican nationalist strategies and the decision of the richest republics to leave the sinking boat while nation-wide bureaucracies were trying to consolidate a 'nation state' able to control the appropriation of wealth and as large a stretch of territory as possible...

In Hungary, the Communist leadership was the only one that tried to repay the debt by selling the best businesses to foreign capital as early as the 1980s. In the context of the Gorbachev's signs of 'disengagement', they bargained the opening of their borders to Austria in September 1989 (in return for financial compensations), making the fall of the Berlin Wall unavoidable.

But the key indebted country was the GDR, the German Democratic Republic, whose increasing imports from the West had been encouraged by Moscow during the 1970s, as a way to oppose US-led prohibition of technological export to the Soviet Union. Honecker's GDR was in fact 'released' from November 1987 by Gorbachev, who hoped that agreeing to get rid of such an unpopular regime and the Wall – and perhaps accepting a unification of Germany – could be the best solution for his own policy. It was hoped that German subsidies would help the repatriation of the Soviet army, reduce the cost of the arms race and allow concentration on internal reforms, while the Soviet withdrawal would stop the western embargo on credit and facilitate the import of new technologies. Gorbachev's tone was that of 'peaceful coexistence' and no longer that of the Khrushchev's regime in 1956, aiming to catch up with capitalism by 1980.

From this point on, the USSR wished to disengage from its essential international politics of political-economic aid notably in Cuba and Nicaragua, in order to go ahead with the new international 'deals'. But the USSR also wanted its sister countries in the framework of the Comecon to pay back their debts in products – and was more and more interested in turning its exports of oil and gas towards those countries which paid in hard currencies. Yelstin pushed forward the logic behind the dissolution of the USSR, which enabled the Russian Federation to ask the new independent states to pay in hard currency for their energy imports.

Behind the scene, financial deals with the Hungarian regime (to open the first holes in the 'Wall') and Moscow (to accept the unification) were associated with Gorbachev's popular visits in Germany – and his orders to the East German security services not to repress popular demonstrations. But his idea was to propose the dismantling of both NATO and Warsaw Pact coalitions. He shared with Mitterrand a project of 'a common European house' based on a peaceful coexistence and reforms in both parts of Europe – along some kind of Council of Europe and Helsinki agreements like those which were in the 'Paris Charter'. [9]

The dynamic of German unification was determined by Chancellor Kohl's decision, supported by the US, to establish a monetary union. The exchange rate (one to one) was a disaster for the East German economy but attractive in the short term for its population. Such an absorption/destruction of the GDR was far from the initial discussions Gorbachev had held with Kohl about a new constitution for both parts of Germany. Mitterrand's French government made all possible efforts to integrate the unified Germany within the European construction (with the Maastricht Treaty and its rigid monetarist approach a condition for convincing the Bundesbank to leave the DM). But for the US

administration, NATO was the stake – Germany had to be in, and NATO had to be maintained and expanded in spite of the Warsaw Pact's dissolution in 1991.

During the 1990s, the US used the Bosnian and then Kosovo issues (in the context of the failure of European and United Nations 'peace plans') to push the former Cold War Alliance eastwards and establish new protectorates. [10] The internal dynamics of Soviet policies changed the balance of external relations and put Gorbachev in the corner; he has no choice but to accept western political decisions. The dissolution of the Soviet Union, Yeltsin's coup against the Duma which was opposing radical market reforms, and international reciprocal agreements about measures against terrorism opened the door for a new period.

Democratic revolutions or opaque a€œ revolutions ?

Let us deal here with factors that prevented social 'revolutions' from occurring and, moreover, contradict the 'democratic' nature of the changes.

Bipolar external factors

International behind-the-scene negotiations between Gorbachev and western governments are not sufficient grounds to deny the character of 'revolutions'. The past had demonstrated the possibility of revolutions breaking the bipolar world's agreements: the Yugoslav Revolution leading to the Titoist regime resisted both Stalin and the western major powers, the Non-Aligned movement. It was able to impose itself despite (and against) Yalta's agreements according to which Yugoslavia was supposed to be a monarchy again with western and USSR's influence 'shared' fifty-fifty. The capacity to resist to such international 'deals' was rooted in several factors: the deep popularity and legitimacy of the partisan-led antifascist struggle, the distribution of land to hundreds of thousands of armed peasants, and a new self-administration on the liberated territories crystallising the new federal project against inter-ethnic hatred, all of this associated with a radical rejection of the Serbian Kingdom which dominated the first Yugoslavia in a dictatorial way. [11] Our hypothesis is that the decisive role played in 1989 by international 'deals' in the dynamics of changes illustrates, on the contrary, the weakness of popular mobilisations, unable to really determine the content of the transformations, which occurred 'from above' (and from outside). They were sufficient to get rid of the most corrupt and inefficient regimes and open a process of pluralist elections. But this was introduced in the Soviet Constitution without any 'revolution', under Gorbachev's rule and appeared as a possible 'norm' as soon as Moscow had accepted the fall of the GDR's regime.

The former Czech dissident of Charter 77 and later President, Vaclav Havel, expressed that clearly in an interview to a French newspaper, given in the context of the 20th anniversary of the 'Velvet revolution': 'in, we were first looking carefully at the East German exodus, which was a huge flow passing partially through Prague (...). I understood that the course of history had changed'. [12] And as the journalist asks 'Did the 'Velvet revolution' began naturally in Berlin?', Vaclav Havel stresses, of course, the deep aspirations and struggles for freedoms in all societies and adds that, in spite of there being no guarantee for peaceful events, one could guess that 'the Soviet Union could no more intervene unless it would have opened an international crisis and a break in the new policy of Perestroika'. But he stresses: 'the dissidents were not ready (...); we have had only a marginal influence on events themselves. But when the power began to look for a dialogue, he made us its interlocutors. There was no organised political movement with which it could speak. That was when we established the Civic Forum'.

In other words, 'the Velvet Revolution would not have been possible were it not for the monumental events unfolding in the other Communist Bloc countries', first of all, the Soviet Union. [13]

But it remains to be explained how very unpopular radical socioeconomic transformations could be introduced if not through revolutionary mobilisations at least (apparently) without resistance. Other sources of ambiguities appear in those issues.

Unclear labels

The first source of ambiguity for the dynamics of the changes is the fact that all the new fronts or new parties coming out of the former single party were very heterogeneous, and rapidly split, without agreements on what to do. In the same interview Vaclav Havel reminds us what was the programme of the Civic Forum: ‘Our ideals were still the same. The first reforms were reduced to the dissidence principles: free elections, pluralism, market economy, citizen rights, and protection of individual freedoms. And then our priority was to dismantle and get rid of all those who were responsible of communist exactions’. In reality, behind those vague formulations, high disagreements existed about all those issues (including ‘lustration’ – kind of witch hunting anti-communist campaign) among former members of the same Charter 77. Everywhere, new parties emerged with increasing difficulty in establishing stable majorities in parliaments. And the experience of neoliberal first ‘market reforms’ led quite rapidly people voting the former communists back in, hoping they would maintain or reintroduce social protections. This happened first of all in Poland, only three years after the neoliberal shock therapy.

And there was then another factor making the picture unclear. Dominant figures of the newly elected parties or of former communist parties now renamed social democrats, had carried a membership card of the Communist party only some months earlier. And from Russia to Poland, most of the new leaders came from the former apparatus – even from its secret police. [\[14\]](#) That was one of the reasons why the population did not clearly understand what was at stake.

Getting rid of the single-party regime and introducing pluralism enjoyed popular support and therefore were not difficult to accomplish. But the party/state was at the same time both infrastructure and superstructure and dismantling allowed a radical transformation of the system from the top, through changes in fundamental laws without pluralist debates on new constitutions. The lack of democratic life in the past but also the opacity of the economic transition facilitated that process. It was enough that the newly elected leaders attacked the foundation of the socio-economic order through a set of new laws established without transparency. The populations, in particular those involved in Solidarno?? (the Polish independent trade union) at its congress in 1980, never expressed or demonstrated in favour of a project of generalised privatisations. Their aim was to live better and freer. The hope was often to benefit from the best in each system – looking much more towards a very social-democratic Swedish or German model of the 1960s, rather than towards the Anglo-Saxon capitalism of the 1980s.

The transformation of a large cross-section of former Communists into new liberals and property owners occurred in general in Eastern Europe because they wanted pragmatically to protect their privileges of power and consumption and could no longer do so through the former mechanisms. Because of the debt crisis, increasing waste and low productivity, they could not ‘pay for’ stability through the guaranteed social protection. So they looked to privatisation for themselves and used their knowledge of the system and former social relations to invent convenient reforms. In general, the former party was the main source of qualified elites, and there was no private capital to buy the factories. That is why they became the dominant actors and beneficiaries of the privatisations and new political system.

Two slightly different cases must be stressed where former communists could not play that role. The first case is the unified Germany, because a real German bourgeoisie with real capital able to buy the factories did exist. That is why a radical anti-Communist purge and in particular a denigration of the past regime was imposed (we will come back on that point later). The second case is the Czech Republic, because there, the neoliberal social democratic party which was established, had its roots in the pre-war past (and could be reconstituted) and not in the former transformed

Communist party. So unlike for instance Poland where the population brought back to power the ex-communist transformed into 'new' social democrats, the Czech population could vote for another social-democratic party, after the first years of domination of the right – which refused any alliance with the CP (the only one to keep its name in Eastern Europe). Staying in the opposition (like the PDS – Party of Democratic Socialism – in Germany), that CP was not directly involved in the neoliberal policies implemented by all the social democratic parties (be they from 'communist' origin or not). And this 'marginality' became initially an advantage with electoral support rising among the losers of the privatisations (especially pensioners and unemployed), both in the Czech Republic and in Germany. There, the PDS fused with some other left currents to build Die Linke – the Left [15] – with some electoral successes.

But a deeper issue has to be raised to understand the opacity of the whole transformation: that of the form taken by privatisations, without historical precedent.

The 'refolutions' in ownership: politics and/or economy?

We use here Timothy Garton Ash's neologism [16] to describe the core of the 'great transformation' which, from the end of the 1980s affected the USSR and Eastern Europe in extremely unexpected ways: the reforms 'from above' would revolutionise the system and change it radically, but the self dissolution of the single party was not a 'revolution'. Generalised market and privatisations were the 'bench-marks' of the break with the past regimes, indicators of the 'transition's success' for external 'experts', creditors or negotiators. But what did they mean for the population?

A certain kind of market for goods did exist. The popular image of the market was obtained by travelling to the West or from pictures showing beautiful and attractive shop windows. That was surely the reason of the attraction of the Deutsche Mark and the immense joy of East German people crossing the former frontier and discovering the real abundance in western German shops. Later on they will have to discover new market rules.

So what about 'privatisation'? The notion was even more abstract and blurred. Small private sectors did exist and could be useful. Surveys in Poland [17] asking the people if they were for or against privatisation gave a dominant 'for' as a general possibility, and 'against' as a concrete question for the factory where the person was employed (even if in certain cases or periods, the hope that a foreign owner could bring higher income could lead to a positive assessment on privatisation). In general, far from a clear capitalist form of ownership (linked with the market 'laws', constraint and risks of bankruptcy and unemployment), the word 'privatisation' itself was used in a very opaque way to express the change in ownership. And in electoral slogans, the 'experts' pushed forward a kind of equation: 'market + privatisation = efficiency + freedom'. That was certainly optimistic and, at the least, not precise. What were the criteria of efficiency? What individual and collective freedoms and rights were related to property rights?

The on-going reforms were called 'transition to market economy' by international 'experts' during the first years after 1989. It was a confusing and imprecise formulation: what is a 'market economy'? Is it an economy with a market? What kind of market? Is that Yugoslavia? Sweden? Mexico? Great Britain? France or Germany? And when, in what periods? The 1960s? Now? But in spite of being imprecise, the notion of 'transition to' seemed to indicate a clear and unique possible choice for the future, with a nonexplicit normative neoliberal 'model'. Who had determined such a future choice?

By presenting themselves as scientific, neoliberal precepts had a voluntary, dogmatic and normative character – falsely claiming that successes elsewhere in the world were attributable to them. In practice they were imposing their criteria and excluding their choices from democratic debate. [18] In Eastern Europe not only did they benefit from the strength of the institutions of globalisation (with the IMF and the World Bank having a direct role in the re-organisation

of budgets and accountancy and later the European Union's commission playing a leading role); but they also benefited from the zealous support of former members of the Communist parties. [19]

Practically, the process of privatisation had to fit into the ideological context inherited from the former system of formal rights and find some 'democratic' legitimacy. Therefore the dominant feature was at the beginning of the 'transition' was to recognise that the ownership had first to be taken from incompetent and corrupted bureaucrats and given back to the workers and people who had produced the wealth for decades (and additional owners were put forward as 'legitimate': those who had been expropriated in the past). To be popular, the discourse had to focus against the privileges fitting with the dominant egalitarian ideology. Yeltsin first 'profile' and the '500 days' Chataline's programme of privatisation in Russia at the beginning of the 1990s, were based on that ideology. And this very same orientation was also expressed in the East German initial proposals before the monetary unification of 1990.

That does not mean that the scenarios and contexts were all the same. There were choices and the Slovenian cases shows a slightly different 'model' because of different factors: a relatively favourable context (that republic had the highest level of life and of export of the whole Yugoslavia, and the most efficient self-management system); a radical reorganisation of the former official trade-union into a real independent force helping to express a massive mobilisation and therefore public debate on privatisations resistance to neoliberal recipes at the beginning of the 1990s and later on. As a result, in spite of recurrent pressures from the European commission to 'open' the economy to liberal criteria, the state kept the control of public financing of strategic big factories instead of systematic privatisation and lack of credit; the forms of privatisation kept an important part under the control of municipalities and factory employees; the taxes on income and factories and the wages were not submitted to neoliberal criteria (to be 'attractive' for private foreign capital as a general rule); growth was based on internal mechanisms and regulations without accepting the logics of 'competitive advantage' to reduce workers' income and taxes; the main assets of the past system in culture and health care were not destroyed. [20]

But if the case of Slovenia was in the initial phase slightly different, it was not because elsewhere the populations were more in favour of liberal recipes but just the opposite: it was because it was more difficult elsewhere for the populations to defend their social gains. They could only express more and more disagreements in elections. The party which had been most involved in privatisations (like the first liberal coalition around the Balcerowicz's shock therapy in Poland in 1989) even lost the capacity to come back later on in Parliament, or to establish stable parliamentary majorities. They could claim to be dismantling the arbitrary rules and waste of the former stateparty system; but their aim was mainly a dismantling of social protections – something that was generally kept quiet during the election campaigns, so that it could be put into practice afterwards. This is in part why the electoral results varied – according to the promises made by both new and old parties, which were more or less reformed; but also according to what was the most urgent or important for the population in facing the uncertainty of the market: punishing the former corrupt leaders, the desire for radical change, or rather the fear that the perceived changes would be a threat.

For the majority of the population, markets and privatisations were at the beginning orientations given by economists, often less discredited than the political parties. And there was the idea that – against the former political choices made by the apparatus – economic choices were matters of 'scientific knowledge' and 'law' and were therefore outside of democracy. This facilitated the socio-political and ideological swing of a large number of former leaders from the single party system towards privatisations, at different paces and under different labels. Privatisations were presented as 'norms'. The form, the speed and the scope they took were without historical precedent.

'Direct privatisation' without capital input [21]

It is necessary to establish the major distinction between 'small privatisation' (which generally meant the creation of small new businesses) and 'large privatisation' (which concerned big enterprises; that is those that were

essential to employment and production in these industrialised countries). [22]

Small privatisation was generally the driving force behind growth in the countries of Central and Eastern Europe, notably in Poland. It was often promoted as the privileged route to systemic transformation. It clearly did contribute to the creation of flexibility of response to certain needs in the sector of services (refurbishment, repairs, telephony, computing, commerce, restaurants etc.). It introduced a competitive mechanism, with genuine owners and a more or less rapid transfer of finances to the new private firms (start ups). Initial tax breaks for the new businesses generally made this process more favourable. But the small businesses were often fragile and their growth quickly reached its limits. So the issue at stake in the ownership transformation, and its main aspect was dealing with the large privatisation concerning big factories. Who could buy them, with what capital? Overall, privatisation by real sale did not, for the most part, find any other buyers apart from those with foreign capital. The non-capitalist nature of the former society (of the Soviet type) was associated with the absence of financial market and of private banks, the fact that money in the planned sector could not be used to buy and sell the means of production, but only for accounting. All that meant the general lack of national accumulated financial capital.

For those countries who wanted to gain their independence and their sovereignty by detaching themselves from the hegemony of the USSR, the decision to sell the best factories to foreign capital was hardly a popular one. And the aspiring national bourgeoisie did not want to be reduced to a 'comprador bourgeoisie', using their knowledge of the internal cogs for the service of foreign capital. In practice, only Hungary and Estonia opted for privatisation by foreign sales at the start of their transition.

The privatisations have been called mass 'direct privatisations' by the Polish sociologist Maria Jarosz, who used this term to describe the privatisations that operated without money, through a legal change in ownership. This would make it possible to change the socio-economic behaviour and the status of workers under the pressure of market competition, which was the goal of capitalist market privatisations.

However, this aim could not be explicit, in as much as it was necessary in the first years of systemic transformation to legitimise the process as 'democratic' in the eyes of the populations concerned and their workers which were, as we have stressed, according to the ideology and constitutions of the former systems, the official 'social owners' of the means of production. This was a kind of recognition of their 'official' role in the production and legal ownership of all these national assets – provided a part of them was put aside for 'restitution' to those who were private owners of the lands or firms when they were nationalised after the war. So, the workers have been in general given a 'choice' between different kinds of 'privatisations': selling to 'outsiders' (external actors from the factory) state property or (quasi) 'free' distribution to the workers or people of the major parts of shares of the transformed enterprises (the state becoming owner of the rest). Those two variants constitute, in essence, what was called 'direct privatisations' (without capital) at the start of the transition in the majority of countries concerned: either the state became the owner, or 'mass privatisations' occurred where insiders (employers and managers of the former enterprise) became dominant shareholders – with a rapid concentration of shares in the hand of the managers.

The paradoxical notion of 'direct privatisations' concealed a change in the socio-economic role of the state behind apparent continuities. For the population it was difficult to distinguish between the state of the past, managing means of production and distribution, and the new state mutated into the instrument of mass privatisation. This perception was even more confuse when the very same persons were still in power. But in reality, from this point on, the state was no longer ruling 'on behalf of the workers' (even at their expense) and without the attributes of a 'true' owner (able to use genuine management powers, bankruptcy, sale and transfer). This past reality was to be eradicated according to neoliberal criteria. Through direct privatisations, the purpose was to establish the power of 'real owners' – even if (in a paradoxical way for 'liberals') those were the state, allowing both a change in the status of the workers and the restructuring of firms under market constraints, before their subsequent sale. It was this that was known in Poland as the 'commercialisation' of public firms, and it was accompanied by the suppression of all traces of workers' councils.

The deepest source of ambiguity in these revolutions was there. The radical nature of these changes in ownership (in social status and in the relationship of production and distribution), which were introduced by the state, doubtless went unseen by the people they concerned. When the state became the major player in these businesses, it was often seen as continuity with the former state, which certainly had ruled as a dictator, but also as a social protector.

This popular illusion of continuity in social protection was also expressed rapidly in free elections by the vote in favour of those among former Communists who kept as new labels some kind of socialist or social democrat epithets. This was the case in Poland, fewer than three years after the neoliberal shock therapies. Nevertheless, once these social democrat ex-Communists had returned to power by way of the ballot box, in Poland and elsewhere, they generally made the decision to be zealous supporters of NATO and ultra-liberal transformations, a decision that was not free from corruption. They are paying for it today through the fact that it is the nationalist and xenophobic right that has put forward the issue of social protection against the 'left', winning elections on this very basis.

Conflicting dynamics were often at work behind the ambiguity of these 'mass privatisations'. From the workers' point of view, the pragmatic choice of this form of privatisation was to protect their jobs, and allow them to keep at least part of the social advantages that were allocated to them in big enterprises (flats, restaurants, childcares, hospitals, some products distributed by internal shops), compared with the re-structuring imposed by private individuals/outsiders. However, from the point of view of those who managed the reforms, it was a question of legitimising the privatisations in the eyes of the population, while at the same time this gave them the opportunity to 'prove' to the institutions of the on-going globalisation that 'privatisation' had occurred, that a radical break with the previous system was taking place. This was the precondition for loans and for negotiations to become candidate members to the European Union (EU). In this context, a new process of genuine social polarisation and concentration of ownership and financial montages took place behind the fragmented popular shareholding that brought to workers neither income nor power apart that of slowing down re-structuring. The 'privatised' state used its rights of property either with the clientelist approach or with the aim of selling the firms to 'real' private investors, foreign or national.

Behind the mass privatisations which occurred at the beginning of the systemic transformation, there was the emptying of the productive substance of big enterprises, but avoiding immediate bankruptcy and massive unemployment of the workers. [23] The lack of credit available for these firms contrasted with the comparative financial support received by the sector that was truly 'privatised'. Although liberal 'experts' criticised the lack of restructuring linked with mass privatisation, they also eventually highlighted, from their point of view, the beneficial nature of this first period, because it permitted radical transformation of ownership. Inasmuch as 'insiders' were partially protected, it lessened the risk of social explosions, while destroying the former system.

'Transition to democracy'? The German symbol: what about 'Ostalgie'?

Because the East German mobilisations have become the symbol of the 'democratic revolution', the concrete scenario is worth examining. Few people know what is behind the 'Ostalgie', a neologism invented to describe the nostalgia rapidly felt by East Germans. Nostalgia of what? Certainly not the former political order based on the repressive Stasi. Was it, then a feeling due to some 'difficulty' in adapting to the new 'modernity' of capitalism that they had at first wanted so much? On 8 November 2009, the Guardian published an article 'East Germans lost much' written by Bruni De La Motte:

'Once the border was open the government decided to set up a trusteeship to ensure that 'publicly owned enterprises' (the majority of businesses) would be transferred to the citizens who'd created the wealth. However, a few months before unification, the then newly elected conservative government handed over the trusteeship to west

German appointees, many representing big business interests. The idea of 'publicly owned' assets being transferred to citizens was quietly dropped. Instead all assets were privatised at breakneck speed. More than 85 per cent were bought by West Germans and many were closed soon after. In the countryside, 1.7 million hectares of agricultural and forest land were sold off and 80 per cent of agricultural workers lost their job.' [24]

In the GDR, single mothers enjoyed free childcare. As a result, the share of professionally active women was 90 per cent. After 1989, this share dropped to 40 per cent, this fall being the highest contributor to unemployment. Childcare centres were closed, while rights and means for free contraception and abortion were suppressed (to keep their jobs or find them many young women above 30 years old resorted to sterilisation). Could this be called a 'democratic revolution'? No debate, no elected assembly and no bilateral procedure occurred to establish a new unified Germany. The GDR was simply absorbed: the East German population was not asked what they wanted to keep or not. And they felt profoundly humiliated, like second-class citizens.

A counter-revolution?

The social shock imposed on East Germans and on East European populations in general would probably be better characterised as a counterrevolution. But one is confronted here with several analytical difficulties, with symmetrical ambiguities: were there real 'revolutions' after the Second World War in those countries?

The occupation and division of Germany by foreign troops were foreseen by the Yalta agreements between antifascist allies before the defeat of the Nazis. The Potsdam agreement (August 1945) organised Germany's division into zones between the Allies supposedly under collective responsibility but in fact affected increasingly by Cold War tensions. Stalin would have preferred to keep access to the rich Ruhr than to divide Germany into two separate states: the richest western part was eligible for aid under the Marshall plan (introduced in 1947) while Stalin submitted the poorest eastern part under his control to radical pillage, considered as reparations for the huge destructions and the millions of Soviet citizens killed in the war. The decision to establish the GDR (October 1949) was an answer to the establishment of the Federal Republic in the Western Allies' occupied zones on 23 May of the same year.

Over the continent, a whole range of scenarios occurred, from a genuine revolution in Yugoslavia – according to both criteria of mass mobilisations and radical changes – to the Moscow-led revolution establishing the GDR or Romania, through real popular mass mobilisation and welcoming of the Red army in Czechoslovakia. All the scenarios were the result of World War II, civil wars, intense class conflicts and political polarisations. With different scenarios, the populations of Eastern Europe have been confronted with and divided by the combined wars: civil and world wars, where different kinds of anti-fascist resistances (with or against Communists) led also to different attitudes towards the Red Army's invasion (from radical hostility to enthusiasm). But, even when the Soviet Union's intervention played the decisive role in the structural changes the national single Communist parties in power broaden their social basis by introducing radical 'reforms' against private ownership and market domination: extremely rapid vertical social promotion occurred for peasants and workers in comparison to their situation in pre-war peripheral capitalist societies – combined with repressive regimes claiming socialist goals. 1989 was the undoing of the post-1945 period.

The *refolutions* imposed by the CP apparatus were dominated by the Kremlin. But the socialist goals proclaimed could win popular support and a trend to reduce the gap between them and the existing regime did exist. In the GDR, Rosa Luxemburg or Karl Liebknecht enjoyed prestige, like the theatre of Berthold Brecht. But left-wing anti-Stalinist intellectuals or artists were repressed or were drastically separated from the workers by Stasi repression. In 1989 an embryonic 'Red and Green republic' [25] was discussed among those circles who had much sympathy with the 'Western' radical left led by Rudi Dutschke in the 1960s and with the Prague Spring. They did want the end of the Stasi and of Honecker's regime but certainly not its dissolution within the existing West Germany.

A 'systemic crisis' (linked with the dismantling of the system) occurred in all countries at the beginning of the 1990s, which the World Bank reports compared to the 1929 crisis in a different context: it was a drop of 30 to 50 per cent in production in all branches. After 1993, growth started again first in Poland – helped by the cancellation of the debt decided by the US without publicity – then in other Central and Eastern European countries. This has been called a 'catching up' but without noting two facts: first, the indicator used to measure the growth and catching up (GDP or equivalent) does not reflect the well-being of populations: it does not say how the production is done and distributed, which means that it is compatible with increasing poverty; and second, it was necessary to 'catch-up' first of all with the 1989 level of production. That occurred within more or less a decade, with a sharp structural transformation behind the figures. With the new millennium this growth was still accompanied by deepening unemployment and inequality – because the re-structuring of big enterprises and of agriculture only had begun and financial resources were concentrated in certain productive sectors.

Overall, both the starting points, and the different paths of systemic transformation have been varied. Nevertheless, behind these differences, the same outcome can be stated for all the former countries of the USSR and of Eastern Europe, expressed after the first decade of 'transition' by the World Bank: 'poverty has become more widespread and has increased at a greater speed than anywhere else in the world' while 'inequality has increased in all of the transition economies and amongst certain of them this has been dramatic'. [26] This happened even when 'the countries of this region have started their transition with levels of inequality that were amongst some of the weakest in the world'. For sure, the reports have been more positive during the period 2000-2007: impressive rates of growth (for instance more than 7 per cent or even 10 per cent in some Baltic States) leading to many comments about a 'success story' of the 'transition'. Unfortunately, the specific feature of that whole transformation has been the extremely unbalanced growth, and high dependence upon foreign capital and banks with dramatic side effects such as those seen in 2008 with the second sharp crisis and social shock, under the effect both of the world crisis and of international features of the systemic transformations.

As we have stressed, financial markets and private banks did not exist in the former system. As the dogmatic priority has been placed on being attractive to private (that is foreign) capital, the introduction of a private banking system has meant an absolute domination of the banking system by West European banks: in 2008 from 65 per cent of banks being foreign-owned in Latvia to nearly 100 per cent in Slovakia and more than 90 per cent in all other New Member States (NMS) except Slovenia (35 per cent, in 2008). [27] Their logic has been short-term profit and the highest possible return on loans. Concretely this meant a lack of credit for industry, and speculative borrowing to meet the demands for household credit for consumption (mainly flats and cars) through financial operations based on foreign currency borrowing (especially in Swiss Francs when the rate of exchange was attractive). So the very high growth, mentioned above, in the recent period (specially in the Baltic countries), and the so-called 'catching up', were based on a huge disequilibrium of external balance and debt in societies with high level of poverty and inequalities. [28] The Financial Times comments the last 'hard-hitting report' for 2009 published by the EBRD: 'Central and Eastern Europe must get rid of an addiction to foreign currency debt'. The report recognises that the global recession plunged the region into crisis – the IMF was called to the rescue by Hungary, Latvia, Poland, Romania, Serbia, Ukraine, Bosnia-Herzegovina – but the social situation was not its real concern: the only concern of the Bank was whether there was any reversal trend of the 'transition'. And the answer was: no, for the moment. That was considered a success: the 'growth model for the region remains intact', in spite of fragilities, the state must be stronger, and accept IMF austerity policies. As long as social unrest is not too explosive there will be no systemic change.

The repressed 'third way'

The Slovenian philosopher Slavoj Žižek produced in November 2009 an article in a tribune under the title 'Behind the Wall, people did not dream of capitalism'. [29] There is certainly no direct possibility to check such a judgement, but it is possible to find some indications in what was expressed in the most important democratic movements within/against the past regimes and compare that to the main features of 1989. The Polish Solidarność in 1980-1 and

the Prague upsurge of 1968 are surely the most impressive indications of 'third ways'. One cannot 'demonstrate' that they could be generalised, but one should at least respect – that is make known – what they expressed, and put questions on the way those alternative were 'closed' or condemned to oblivion.

'In Poland the transition [from communism to democracy] lasted ten years, in Hungary ten months, in Czechoslovakia ten days' states a significant presentation of the 1989 Velvet Revolution. [30] But fundamental questions arise from such descriptions: how far was the end of those regimes in 1989- 91 imposed by massive democratic mobilisations defining the content and purposes of those 'revolutions' (as we have so far discussed)? Is there continuity between Solidarno?? in 1980 and in 1990? And what about the Prague upsurge in 1968 or the Hungarian and Polish anti-bureaucratic upsurges of 1956? In the above quotation, the Polish Solidarno?? is supposed to be part of the 'transition to democracy' ('10 years' in Poland and '10 days' for the Velvet Revolution) – meaning that the 1989 socio-economic changes have been made within that western oriented democracy. My thesis is, on the contrary, that Solidarno?? in 1980 in its dominant expectations, as expressed in documents adopted by the movement, was closer to the 1968 and 1956 mass movements than to the post-1989 shock therapy. I will try to explicitly explain the reasons through the examination of the democratic demands put forward by these huge social mobilisations.

A systematic study of the different presentations of those past events is still to be made and would be a highly useful piece of historical research. Both the Kremlin and the West described the 1956 upsurges in Hungary and that of 1968 in Czechoslovakia as 'anti-communist'; for the Kremlin, that description served to 'justify' the Warsaw Pact military intervention and in western propaganda. The Stalinised Soviet Union 'the country of the big lie' (like wrote the Croatian Communist Ante Ciliga wrote in the 1930s) was in the continuity with the first 'justification' of the 1948 'excommunication' of the Yugoslav Communists because of their supposedly 'pro-capitalist' orientations. [31] The same logics prevailed in 1968: even if it was more difficult, the Soviet Union could not but 'justify' the sending of tanks in Czechoslovakia by speaking of a 'danger for socialism'. It is therefore quite 'normal' to find in western broadcasts or papers about 1956 or 1968 similar presentations to that during the beginning of 'the end of communism' and of the 'return' to democracy occurring in 1989. Elements of continuity do exist if the only criterion considered is the call for freedoms, without describing of their content. It is also true that the Polish events can appear closer to 1989 than the Prague Spring, because of the strength and expression of religious feelings, explicit anti-communist positions of the Church and of a certain number of strike leaders and advisers as opposed to the 1968's reforms introduced from within the Communist party itself, and the explicit call for 'a socialism with human face'.

So we will focus on the kind of democracy and rights which were put forward, and stress those demands that capitalism would not accept: workers councils, or workers self-management as a fundamental right to control the organisation and aim of economic system, the statute of workers and product of labour.

From Solidarno?? in 1980-1981 to the Balcerowicz's plan in 1989: continuity or antipodes?

When considering the scenario of the Polish strike movement in August 1980, which led to the establishment of the first (officially accepted) independent trade union within the former 'communist' bloc, one sees that its congress in September 1981 was much closer to a democratic revolution than any other events in Eastern Europe. After a decision taken by the regime to increase prices, a general movement of strikes occurred with a high level of self-organisation and coordination. Nearly all the state-owned factories of the country – that is the whole industrial sector – were involved. The movement rapidly took on political features. Horizontal links were established, and an inter-factory strike committee with a mandate to negotiate (the electrician Lech Walesa being chosen as delegate). In

an earlier wave of strikes back in 1976, in solidarity with the striking workers, intellectuals had organised a committee, the KOR, rapidly transformed into a body of 'advisers'. Now, the Inter-Factory Committee (MSK) established a list of 'twenty-one demands'. [32]

A first group of demands could be expressed, and could in a certain context be accepted in a capitalist society. They indicated a very high level of social expectations of the population which would be, and has been, quite in conflict with the dominant liberal trends in the post-1989 kind of capitalism: wages protected from inflation and full payment of the days on strike, reduction in the retirement age (to 50 for women); pensions to reflect working life; universal healthcare; an increase in the number of school and nursery places for the children of working mothers; three year's paid maternity leave; increased help for those forced to travel far to work.

A second group of demands was for benefits recognised in western democracies but not in all capitalist societies. In general these have been refused in the post-1989 European countries in the factories owned by foreign capital: the possibility to build free trade unions and to have the right to strike. These requests demands were, of course, also in conflict with the rules of the former 'socialist' regime's rules; but were not generally in conflict with socialist ideas. Both in Yugoslavia in the 1960s and in Czechoslovakia in 1968, trade unions tended to win autonomy – which was later repressed by the party in power like all autonomous movements when they became a danger for the political monopoly of power. In Poland, the Communist regime had to accept in September 1980 the demand for a free trade union: the preparation and meeting of its congress in two phases in September 1981 was legal. A third group of demands were linked with the specificities of the regime: the demand that factory management be selected on the basis of competence and not of Party membership; an end to privileges for the police and party apparatchiks; and an end to 'voluntary' Saturday working. A fourth group of demands could be put forward in a capitalist society, but were rarely accepted: the demand for access to the mass media for all; the publication of the strikers' demands in the mass media; freedom of access to information about the economy.

But the main demands would be in essence very much in conflict with a capitalist logic: they asked for the involvement of the whole population in the debate on the economic situation and the reforms to answer to the crisis. This last demand was underlined once again in the program programme adopted at the congress organised one year later. Obviously different currents and conflicting views were expressed, which reflects a normal democratic and massive movement that took on the dynamics of a quasi-political 'constituent assembly'. What kind of society did it want to establish?

The simple presentation of the twenty-one demands stresses the sharp contrasts between on one hand the social expectations for social protection and of social gains and democratic control on economic decisions of those millions of workers in strike in 1980, and on the other hand the content of the 1989's shock therapy and privatisations. The fact that the twenty-one demands did not ask for privatisations but the opposite is rarely mentioned. Yet this was not a marginal issue: first the workers won legal recognition and therefore could really organise the congress democratically and not underground. As international observers could see, a dual social and political power within the whole society was already functioning. [33] A political and social programme for the whole society was elaborated during several days in the two sessions of September 1981 by several hundred delegates under the control of 80 per cent of the organised Polish labour force: direct socially managed TV broadcasting made it possible to watch the debates of the congress within the factories in the whole of Poland, while the rank and file workers were democratically controlling their delegates.

But what was adopted by that significant democratic congress? How is it related to 1989? Let us look at Wikipedia's article on Solidarity in English, for instance. [34] It presents the whole Polish events as led by 'anti-Soviet' currents and the Church, and as the beginning of 'anti-communist revolutions' in 1989, and concludes: 'Solidarity's influence led to the intensification and spread of anti-communist ideals and movements throughout the countries of the Eastern Bloc, weakening their communist governments'. The defeat of the 'communist' candidates in 1989 elections in Poland 'sparked off a succession of peaceful anti-communist revolutions in Central and Eastern

Europe known as the Revolutions of 1989 (Jesie? Ludów).’ Is this not that the dominant presentation still made of Solidarno???. And this without a single quotation from those supposed ‘anti-communist ideals’. Nothing about the twenty-one demands. Nothing about the programme of the congress.

In France all these documents have been produced and a broad movement of solidarity and direct links was developed among left-wing trade-unionists in the 1980s. That is probably why the Wikipedia article in French on the same topic, is quite different, because it quotes the documents adopted by Solidarity’s congress in September 1981 and says the project was to establish ‘a self managed Republic’, adding that ‘the congress demands a democratic and self-managed reform at whole levels of decision making, a new social and economic order which will articulate plan and self management with market’. The article comments that this was ‘a deepening of the positions elaborate since autumn 1980 by the inter-factory strike committee’, proclaiming that ‘we are for a worker, progressive socialism, an egalitarian and harmonious development of Poland, collectively determined by the whole of the labour force’s world (...) a social order which would be authentically worker and socialist’. [35]

The threat of a Soviet intervention was central at that time. On 13 December 1981, General Wojciech Jaruzelski, backed by the ‘Military Council for National Salvation’, declared that Poland was under martial law. Mobilising the army and security services, he took control of the TV and radio, and unleashed the hated internal police and motorised riot police to break up unauthorised meetings. Military tribunals sentenced thousands of trade unionists for up to three years in prison.

But the repression gave a different influence to those among the intellectual advisers who wanted to use the strength of the social movement to get rid of the system, suppress all dynamics of self management and reduce Solidarno?? to a classical trade union in a market economy. After such repression by a ‘Communist’ party, the ideological strength of the Church and of real anti-communist projects increased with the demobilisation (in spite of some strikes and anger). After the amnesty law, the second half of the 1980s opened the road towards a compromise with the ruling party which was losing members and any capacity to rule – it was looking to protect some political power and the links with the Gorbachev’s Soviet Union. The high level of self-organisation and democratic revolution had been broken. Under Gorbachev’s pressure, a ‘round table’ was organised with legalisation of a much weaker Solidarno??; and the ruling party was defeated in the first free elections.

Huge ‘financial’ pressures and negotiations were at stakes behind the scene. The national debt in various foreign banks and governments reached in 1989 the sum of US \$42.3 billion (64,8 per cent of GDP). The ‘Balcerowicz plan’ – also called shock therapy was adopted at the end of 1989. In late December, the plan was approved by the International Monetary Fund (IMF). The IMF granted Poland a stabilisation fund of US \$1 billion and an additional stand-by credit of US \$720 million. Following this, the World Bank granted Poland additional credits for modernisation of exports of Polish goods and food products. Western governments followed then and paid off about 50 per cent of the sum of debt capital and all cumulated interest rates to 2001. One can compare programs and procedures. 1989 appears much more like a social ‘liberal’ counter-revolution than the continuation of the initial Solidarno?? congress.

In 1981, more than 80 per cent of the workforce was unionised and Solidarno?? had about ten million members. In 2008, those who were in trade unions made up no more than 11 per cent of the workers, according to official figures provided by trade union organisations. During the process of privatisation trade union leaders were often introduced – on an individual level – into the boards, where they were linked with the employers. [36] This corruption and integration into the processes of privatisation undermined the trade unions. The loss of resources and the bankruptcy of big enterprises produced huge unemployment (when Poland became member of the UE in 2004 the unemployment rate was nearly 18 per cent), the difficulties of daily life and the absence of trade unions in businesses run by foreign capital did the rest. Therefore the social discontinuities between 1980-1 and 1989 are closely linked with the totally different dynamic of ‘reforms’. [37]

From the Prague Autumn of workers councils (1968) to the Velvet Revolution (1989): continuity or antipodes?

The scenario is slightly different for Czechoslovakia, but the essence of the issues at stake and conflicting interpretations are the same. The economic and political reforms proposed in 1965-8 in Czechoslovakia by the reformist leader Dubček and the economist Ota Šik, [38] supported by a whole wing of the Communist party was very similar to the one implemented in Hungary at that time: the purpose of the reform was to introduce a stimulant to increase the efficiency of production (quality and productivity). But the proposed means were mainly based on a partial extension of market economy and on increasing the responsibility of managers (and increasing their income according to market results) as an alternative to the too vertical and authoritarian form of Soviet planning. Such reforms did not introduce workers rights for self-management.

That is why, up to the Prague Spring, the Czechoslovak workers had not felt great enthusiasm for the Ota Šik and Dubček's economic reforms: their effect would be to increase inequalities (through more market competition) and social insecurity (through the power and material incentive given to directors to push them to reduce production costs including labour cost). The ideology of socialism recognises the workers as the creative source of wealth, not as a commodity whose price is a 'cost' to be reduced. They were supposed to be the 'owners' of the factories – which would mean a responsible actor involved in the democratic and pluralistic elaboration of criteria of economic efficiency and mechanisms aimed at reducing waste and material costs. That was exactly the demands that the Polish workers expressed in 1980.

In the process of debate of the reforms in Prague just before 1968, some Communists and trade unionists have proposed a new law increasing workers rights of establishing organs of self-management of the factories, elect directors, and decide on the organisation of the productive process and distribution of the production. But that was pushed aside – or slightly reduced – by the Ota Šik reforms. And the liberalisation from above had in turn stimulated unexpected movements and demands from below in the whole society: in all sister countries ruling parties were afraid of contagion. The Prague Spring was also an immense international gathering in favour of 'socialism with a human face'. The Soviet intervention aimed to stop all that.

But it produced the opposite effect. And this is never said in TV broadcasts and dominant analysis on those events. The reality, is that during the autumn of 1968, in nearly 200 factories, more than 800,000 workers reacted to the Warsaw Pact's invasion and Soviet propaganda (which claimed that the Red Army was sent to Czechoslovakia to defend socialism) by establishing workers councils, [39] encouraged by a broad part of the Communists and trade-unionists in favour of a self managed socialism.

The movement spread and organised its first national conference in January 1969 – six months after the arrival of the tanks! In March there were 500 councils. It had become a massive political movement by its own coordination and through the support received by youth and intellectuals, many of whom were members of the Czechoslovak Communist Party (CCP) itself. Workers councils were often supported or even launched by factory cells of the CCP and of the trade union body (ROH), which at that time emancipated itself from the bureaucratic apparatus of the state. Their leaders were often elected to head the councils. A new bill was elaborated and presented to the government, still led by the reformist leader Alexander Dubček. Such proposals were backed by hundreds of occupied factories and by the part of the CCP resisting the occupation and organising clandestine meetings.

But that bill on factories would have given too much power to workers councils, and certainly frightened the Dubček wing, looking for compromises with the Kremlin. The bill was taken in account – which indicates how much it was still difficult simply to censor it – but the government introduced changes and reduced the rights given to the workers, to become closer to the Ota Šik and Hungarian sort of reforms. After some months the dynamic of the workers councils

had been broken by pressures and direct repression.

Nearly twenty years after the Velvet Revolution of 1989, the debate about the Prague Spring began to reappear in the Czech Republic. It was relaunched in particular by the republication at the end of 2007 of two contradictory standpoints expressed immediately after the Soviet intervention, in December 1968, by Milan Kundera and by Vaclav Havel. [40] Both these prestigious and well-known writers had challenged the former regime's censorship before 1968. The first one acted out of his Communist convictions while the second did it as a liberal anti-Communist. Vaclav Havel kept his anti-Communist and democratic standpoint through his involvement in the resistance to the Soviet occupation within the 'Charter 77' (initiated in 1977 to resist the Soviet 'normalisation', a front where Communists and anti-Communist democrats could join the fight for human rights), and became the first President of the new Czechoslovakia and then of the Czech Republic. In the meantime, Milan Kundera lost the Marxist convictions he had in 1968. But it is not important here, because the standpoints he expressed at that time are quoted and still supported in the present period and debated by other Communists – Jaroslav Å abata is one of them. In 1968, he was leading the left current within the Communist party which gave radical support to self-managed socialist democracy and workers councils.

In presenting the present renewal of the controversy, Jacques Rupnik [41] writes that for Vaclav Havel, the Spring 1968 achievements (abolition of censorship, individual freedoms) 'only re-established what existed thirty years before and what is still the basis of democratic countries in general'. This point of view can also lead to consider the Velvet Revolution as a successful variant of the Prague Spring democratic movement (repressed by the Communist regime, whereas the Velvet Revolution was able to get rid of it). But Vaclav Havel's position today is closer to a second trend: to deny any significant consistency to the 1968 events because of their socialist aims. The repression is then stressed as the only possible issue: there is no possible third way.

Milan's Kundera's view, on the contrary, stresses that – as Jacques Rupnik summarises 'despite having been a defeat, the Prague Spring retains its universal significance as a first attempt at finding a route between the eastern and western models, a way of reconciling socialism and democracy'. The (still) Communist intellectual Jaroslav Å abata quoted recently and shared the former Kundera's judgment in a more radical way: 'The Czechoslovak Autumn is probably much more important than the Czechoslovak Spring. [...] Socialism, the logic of which is to identify itself with freedom and democracy, cannot but create a kind of freedom and democracy that the world has never known.' [42]

Such a movement and self-organisation was a danger for all ruling CPs wanting to keep the monopoly of political power, even if they opposed the Soviet domination. [43] The workers' council movement could embrace all demands against censorship, and for individual and collective freedoms. But it also stressed the contradictions or limits of all those who support the slogan 'socialism with human face' but 'forget' the fundamental socialist aims: the suppression of relations of domination within the economy permitting a radical subordination of economic choices, as all key human choices, to a democratic system to be invented. This stand contradicted both systems of the Cold-War camps.

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[1] Timothy Garton Ash, *The Guardian*, 4 November 2009, [nov/04/1989-changed-the-world-europe>" class="spip_out" rel="external">1989 changed the world. But where now for Europe?'](#)

unemployed in Eastern L'Ánder. Later on, it increased its influence in Western L'Ánder, and is divided by important debates (about social issues, refugees and alliances, reflected in shifts in its implantation).

[16] See note 2.

[17] Jarosz Maria, *Ten years of direct privatisation*, Warsaw: Institute of political studies, 2000

[18] Jacques Sapir, *Les économistes contre la démocratie – Pouvoir, mondialisation et démocratie*, Paris: Albin Michel, 2002.

[19] Szalai E., *Post-socialism and Globalization*, Budapest: Istvan Nemeth, 1999; Gorzelak G., Ehrlich E., Faltan L. & Illner M. (eds.), *Central Europe in Transition: Towards EU Membership*, Regional Studies Association, Polish Section, Warsaw: Scholar, 2001; Drweski B., 'Du Parti áouvrier' Á la "gauche démocratique" – Les métamorphoses d'un parti de pouvoir polonais (1989-2001)', in J.-M. de Waele, ed., *Partis politiques et démocratie en Europe centrale et orientale*, pp. 71-83, Université de Bruxelles, 2002, coll. 'Sociologie politique'.

[20] These differences have been eroded under the pressure of international and European institutions (especially after its integration in the EU in 2004), but also because of different scandals of clientelism and corruption, in the process of privatisation, like elsewhere.

[21] See note 14, Eyal et al. Read also Kornai J., *La transformation économique postsocialiste – dilemmes et décisions*, B. Chavance et M. Vahabi (eds.), Paris: Éditions de la Maison des Sciences de l'Homme, 2001.

[22] The dominant weight of agriculture in China is a major difference with Eastern Europe and the USSR, where it was between 10 per cent and 30 per cent of GDP at the end of the 1970s. But as far as the industrial privatisation is concerned, the crucial difference has been that China was not under the pressure neither of IMF nor of European institutions to make its choices, without dismantling public credits and central control on currency to implement its own (capitalist) state priorities in favour of Chinese public firms. Our study here is mainly based on Eastern Europe.

[23] What we call the first phase of the systemic transformation corresponds to the initial 'systemic crisis' with sharp falls in all branches. It was absolutely generalised after 1989 and lasted several years. But its end (or the beginning of a growth incorrectly called 'recovery') was slightly different from one country (or set of countries in a similar position) to another. This recovery began in general in the mid-1990s for the countries of Central and Eastern Europe which became EU's 'New Member States' in 2004, and later for others (see further on that point).

[24] Bruni de la Motte, *The Guardian*, 8 November 2009, '[East Germans lost much in 1989](#)'.

[25] For such alternative view of those events read the interview the former East German opponent to the Honecker regime Bernd Gehrke: <<http://www.europe-solidaire.org/spi...>> .

[26] World Bank, [Regional Overview, Challenges, 2002](#) and the report: *Transition – the First Ten Years, Analysis and Lessons for Eastern Europe and the Former Soviet Union*, Washington DC, The World Bank, 2002.

[27] From the European Bank of Reconstruction and Development statistics.

[28] Read Catherine Samary, '[Towards a social and banking tsunami in East/West Europe](#)' April 2009. The financial dimension of such a tsunami has been avoided by the 'Vienna Initiative' involving in 2009 all international, European and dominant national financial institutions. A 'Vienna Initiative 2' was needed in 2011, and a 'Steering Committee' is still functioning. See <http://vienna-initiative.com/>.

[29] *Le Monde*, 7 November 2009, 'Derrière le Mur, les peuples ne r'Ávaient pas de capitalisme'. An English version was published by the New York Times on 9 November 2009.

[30] Local Life '[Panic! on the Streets of Prague](#)'. One can read on that website descriptions of those events.

[31] About the conflicts between the Yugoslav Revolution and then the Titoist regime and Stalin, one must read Milovan Djilas books or Vladimir Dedijer's biography of Tito. The polemics with Moscow and documents of the Yugoslav CP congress in 1948 have been published in *Le Livre*

Yugoslave, Paris, 1949. On the Khrushchev's excuses about the excommunication, read *La réconciliation soviéto-yougoslave 1954-1958 – Illusions et désillusions de Tito*, Pierre Maurer, Fribourg: Editions DelVal, 1991.

[32] The documents of the Gdansk strikes in August 1980 have been published in a special issue of *L'Alternative*, Paris: Maspero, 1980. The whole programme of the Gdansk Congress in September 1981 was printed in 1982: *Le programme de Solidarno?? au congrès de Gdansk en 1981*, Lille: Presse Universitaire de Lille, 1982.

[33] I was myself sent as an observer for my trade union – the Snesup (National trade union of lecturers in higher education).

[34] Wikipedia the Free Encyclopedia [Solidarity Polish trade union](#) (as last edited on 28 December 2017, at 09:18.).

[35] See Wikipedia [Solidarno??](#).

[36] Information about the struggles and the Polish trade unions can be found in the article by Cyril Smuga, *Inprecor*, 518 (2006), which is available in its entirety in the online archives of this journal, [â€“Signes du nouveau ouvrier](#) .

[37] In an interview published in *Contretemps* in 2008 for the anniversary of 1968 www.contretemps.eu/wp-content/uploads/Contretemps%202022.pdf class="spip_out" rel="external">â€“Pologne 1968', Karol Modzelewski stressed the discontinuities between Balcerowicz plan of privatisation in 1989 and Solidarno??'s demands for a â€“self-managed Republic' with workers fundamental rights in 1980-1981: as an â€“expert' involved in that movement and in continuity with the Open letter to the Party he co-wrote in 1964 with Y. Kuron, he stressed (my translation-CS) that after Jaruzelski coup and repression there was no more in 1989 â€“the pressure of equalitarian and collective currents defining the first Solidarno??, which was broadly a child of socialism'.

[38] Ota Å ik was the economist whose projects of reforms had been backed by the Dub?ek wing in the CPC. The main difference between those reforms (like the Hungarian one under the Kadar regime in the 1960s) and those referring to â€“self-management' was the rights of management given to the workers. I compared the different Yugoslav and East European reforms of the 1950s and 1960s in [â€“Plan, market and democracy – the experience of the so-called socialist countries](#)', *Notebook for Study and Research* No. 7/8, 1988, IIRE, Amsterdam.

[39] Read Vladimir-Claude FiÅjera, professor of contemporary history, who wrote with Jean-Pierre Faye Prague. *La révolution des conseils ouvriers 1968-1969*, Paris: Robert Laffon, 1978. Read also his article â€“1968: le printemps et l'automne autogestionnaires de Prague', Self-management in the Prague's Spring and Autumn, <<http://www.alternativelibertaire.org>>.

[40] *Literarny Noviny*, no. 52/1, 27 December 2007, Milan Kundera â€“?esky udel' (the Czech destiny) and Vaclav Havel, same title but with a question mark: â€“The Czech destiny?'

[41] Jacques Rupnik, *Les deux printemps de 1968* (The two Springs of 1968), Paris: Etudes du CERI, Sciences-Po, 2008.

[42] Jaroslav Å abata died in 2012. Milan Kundera's views were produced in *Listy* NÅ°6, December 2007, and quoted by Vladimir Claude FiÅjera in â€“1968, the self-managed spring and autumn in Prague', <<http://alternativelibertaire.org>>.

[43] The positions taken by the different CPs was either to condemn the Soviet intervention (the Yugoslav, Albanian, or Romanian CPs – but then supporting in fact at best, the kind of Dub?ek reforms and realism') or to be involved in the Warsaw troops. But no one did popularise and support the workers councils: only Trotskyist or anarchist currents did, which were marginal forces at that time. The Titoist regime was at that very same moment repressing its own left Marxist current and youth organisations for going â€“too far' in self-organisation. I wrote in the review *Contretemps*, May 2008, an analysis of the specific conflicts occurring in 1968 within a system where self-management was officially introduced in 1950 after the break with Stalin, and several times reformed to channel tensions.