

# The Last 30 Years in a Historic Perspective



\*

KRASSEN  
STANCHEV

These years are already forgotten: hardly any political activist or commentator of current economic and political affairs takes into account the enormous advance of the 2004-2007 members of the EU in terms of prosperity, way of life, and political and economic liberties. This volume compensates for this lack of historic memory. But why is it important to realize and remember the significance of the last thirty years in the CEE region? There are several reasons.

### WHAT WE DO NOT TALK ABOUT

A year ago, while working on a short commentary on the Warsaw Pact invasion of Czechoslovakia<sup>1</sup>, I was surprised to learn that many young people in former Warsaw Pact nations – including every fourth<sup>2</sup> young Czech and Slovak – have little to no idea what caused it and what the lessons were of that Czechoslovak summer invasion. This was the largest military deployment in the history of post-war Europe, and was recognized as a crime by international law. It was also the beginning of a new tradition, in a sense, which was cultivated by means of the 1956 crackdown of the Hungarian Revolution, or armed suppression of the 1953 Berlin strikes and riots.

The invasion was a technical “success” of the Soviet army, which held the command of over 80% of the troops. The real victor, however, was the generation of the 1960s, which dismantled central planning and the one-party dictatorial regimes in Europe – in short, dismissed the Warsaw Pact itself.

<sup>1</sup> Stanchev, K. (2019) “Prague Summer: The Invasion of Czechoslovakia in a Historical Detail”, [in]: *Public Policy*, Vol. 10(2), March. Available [online]: <http://ejpp.eu/index.php/ejpp/article/viewFile/311/312>

<sup>2</sup> Kenety, B. (2018) “Poll Shows Most Czech Know Little about Their Country’s Modern History”, [in]: *Radio Praha*, July 26. Available [online]: <https://www.radio.cz/en/section/curaffrs/poll-shows-most-czechs-know-little-about-their-countrys-modern-history>

”

IN ORDER  
TO UNDERSTAND  
THE REGIMES  
OF 1944-1989, ONE  
SHOULD ALSO TAKE  
INTO ACCOUNT  
THAT THEY WERE  
ESTABLISHED  
EVERYWHERE  
AGAINST THE WILL  
OF THE PEOPLE

I am proud to be a representative of a generation of individuals who contributed to the effort.

The articles in the 11<sup>th</sup> issue of *4liberty.eu Review* often deal with the challenges encountered by the new generation of “new Europe” societies. Challenges habitually imposed by the politicians of the last fifteen years.

In order to understand the regimes of 1944-1989, one should also take into account that they were established everywhere against the will of the people. As Anne Applebaum has demonstrated<sup>3</sup>, a foreign power appointed the regime apparatchiks (most often functionaries of the

<sup>3</sup> See: Applebaum, A. (2012) *Iron Curtain: The Crushing of Eastern Europe, 1944-1956*, New York: Knopf Doubleday Publishing Group, pp. 43-63.



AT THE ADVENT  
OF THE OCTOBER  
REVOLUTION  
IN 1917 RUSSIA,  
PRACTICALLY  
ALL INDUSTRIAL  
WORKERS WENT  
ON STRIKE AGAINST  
THE BOLSHEVIK  
RULE

Communist International in Moscow, Joseph Stalin's henchmen), dismantled and moved to the USSR virtually all functioning industrial facilities (even from invaded countries like Poland and Czechoslovakia), and installed KGB advisers to eradicate the rule of law, civic and religious liberties, counting dissidents and their relatives as enemies of the state.

Against all this oppression, people not only rebelled, but also rose to oppose the Soviet-style reforms with arms. One of the longest lasting movements of this kind was the Bulgarian Goryani Movement (from the Bulgarian word "goryani", meaning "forest dwellers" or "forest men"). Similarly, in other countries in the region, there were the anti-Communist partisans: the Ukrainian Insurgent Army (defeated in 1956), the "Forest Brothers" in the Baltic states (extinguished in the early 1960s), the Romanian Resistance Groups of Haiduks (or

Highwaymen, as people called them in appreciation of their heroic deeds; eventually crushed in 1962), the Polish "Cursed Soldiers"(who organized at least nine guerrilla-warfare divisions, the last of which was destroyed as late as 1963), the anti-Soviet revolution in Hungary (October 1956), the partisan movements of Croatia (known as "Crusaders"), Serbian "Chetniks" or "Četnici", the Albanian National Front (a nationalist, anti-communist, and republican organization), the Moldovan resistance of Soviet occupation of Bessarabia and Bukovina, and resistance movements in Belarus and Slovenia (which were all defeated by the end of the 1940s and the early 1950s).

Such resistance was nothing new – at the advent of the October Revolution in 1917 Russia, practically all industrial workers went on strike against the Bolshevik rule, and in the next four-five years historians counted about 5,000 peasants' rebellions<sup>4</sup>.

## REFORMERS AND THE WIND OF CHANGE

The imposition of the communist regime and the associated loss of human life led to unprecedented destruction of wealth and prosperity. On the eve of the World War II, today's Visegrad countries (V4) were richer or on par with Austria. Not to speak about Germany – we in Bulgaria still have a saying "as miserable as a German", a remnant of the 1920-1930s, when Germans immigrated to Bulgaria in search of jobs and a better life (the country was developing fast, and was twice as rich as Greece). In 1989, all the V4 countries, Romania, and the Baltic states were at least three times poorer than their European neighbors (in terms of real GDP per capita).

<sup>4</sup> See: Figes, O. (1996) *A People's Tragedy: The Russian Revolution: 1891-1924*, New York: Penguin, p. 627.

The 1989 revolutions were first of all anti-totalitarian. The reforms were a restoration of pre-communist ways of public governance, a "Return-to-Normality". A term "New Europe" was coined, a misnomer referring to the post-Soviet countries. After all, these states had always been *European*, and so the launch of the 1989 reforms was supposed to simply bring them back home.

The constitution-making processes of the early 1990s in virtually all formerly communist countries confirms that this was a common strategy adopted by all political leaders of the period – from Vaclav Havel in Czechoslovakia to Zhelyo Zhelev in Bulgaria. Recent analytical recounts of the 1980-1990s, the newly opened archives, and contemporary reading of Mr. Havel, Georgy Markov, Josif Brodsky, Milan Kundera, Toams Veclova, Alexander Solzhenizyn, Paul Goma, and a plead of Polish

”

THE IMPOSITION  
OF THE COMMUNIST  
REGIME  
AND THE  
ASSOCIATED LOSS  
OF HUMAN LIFE  
LED TO  
UNPRECEDENTED  
DESTRUCTION  
OF WEALTH  
AND PROSPERITY

”

IN 1989, ALL  
THE V4 COUNTRIES,  
ROMANIA,  
AND THE BALTIC  
STATES WERE  
AT LEAST THREE  
TIMES POORER  
THAN THEIR  
EUROPEAN  
NEIGHBORS

and Hungarian artists, writers and movie makers confirm that public anticipation of *normality* was one of the key driving discontents with the former regime<sup>5</sup>.

In response to this expectation, the reformist politicians of the 1968 generation provided for a political pluralism and competition between parties and ideas, a state power friendly to market and private property, a prevailing role private property and enterprise in the economy, a market coordination and buyers' market, hard budget constraints and temporary shortages, unemployment, typical business (not political) cycles. I repeat here Jonos Kornai's<sup>6</sup> list

<sup>5</sup> This too was nothing new. Recently, Icelandic economist Hannes H. Gissurarson published a thought-provoking account on the matter. See: Gissurarson (2018) *Voices of the Victims: Notes towards a Historiography of Anti-Communist Literature*.

<sup>6</sup> Kornai, J. (2000) "What the Change of System from Socialism to Capitalism Does and Does Not Mean", [in]: *The Journal of Economic Perspectives*, Vol. 14(1), Winter, pp. 27-42.

of reforms, but he, in fact, repeats Ludwig von Mises' critique of socialism that dates back to 1922.

### THE SUCCESS

The success of what has been achieved has been clearly visible [See: Figure 1]. First, the post-Soviet countries had never been performing better in terms of economic well-being. Second, in the first years of the reforms, the newly introduced changes paid for the central planning, whereas the state-owned sectors were producing nothing but losses. As a result, in the early 1990s, the average GDP per capita of state-owned enterprises decreased to about 30% below the world average. By contrast, now, they are much more prosperous.

Third, even though all formerly communist states are still not as rich as the United States or Western Europe, the picture is changing – slowly but surely.

Currently, the political reformers of 1968 have stepped aside, replaced by others who promise quick fixes of everything. Nevertheless, the normality and the achievements ought to be presented to the voters as an unsatisfactory state of affairs. At least, this is the hypothesis. The authors of this volume provided their own explanations.



\*

KRASSEN  
STANCHEV

---

Professor in Public Choice and Macroeconomic Analysis of Politics at Sofia University in Bulgaria. A board chairman, founder, and former executive director of IME, Bulgaria's first independent, free-market think tank