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# ASPEN Review

ASPEN.REVIEW CENTRAL EUROPE

**COVER STORIES** Colin Crouch, Vít Dostál, Csaba G. Kiss, Pavol Kosnáč, Kacper Szulecki
**POLITICS** Jeffrey Gedmin **ECONOMY** Hanna Szymborska **CULTURE** Edit Zgut **INTERVIEW** David Alandete

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# Heart of Europe on the Periphery

## Peripherality in Today's Europe

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THE ASPEN INSTITUTE
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ASPEN Review

# Heart of Europe on the Periphery

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ASPEN.REVIEW
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Dear Readers,

In recent decades, Central Europe has returned politically and economically to Europe. Nevertheless, one can sense a growing uneasiness among part of the political class which feels that it has not been fully accepted in the center of EU decision-making. The first seeds of an illiberal mood in countries joining the club grew with the acceptance of the superiority of Western institutions. This raises several questions. Is a center-periphery polarity inevitable in the institutional setting of European integration? Can every nation be equally represented in its institutions regardless of its size and geographical location? What is wrong about being at the periphery?

It could be a disadvantage in hierarchical systems, but not necessarily in networks. The center and periphery can be mutually complementary, but are more frequently in tension. Eventually one can turn the perspective upside down—as Viktor Orbán did in 2014—and claim that a country in a periphery could become morally superior to a decadent center.

In her analysis, *Edit Zgut* identified "an impatience with liberal constraints on the government with checks and balances viewed as obstacles of getting things done for the people" as a major symptom of illiberal backsliding. She rightly points out, however, the other side of the coin: "a political state capture and systemic corruption is partly financed by the EU throughout generous subsidies".

According to *Vít Dostál*, dealing with the fringe of Europe has become both a moral and political issue because of notions such as "new avant-garde", or "cultural counter revolution". By nurturing "the identities of the *lagging periphery*" and by failing to "convince Western Europeans about the merit of European integration", Central Europeans could find themselves "in the position of periphery unwanted, and perhaps forgotten again." *Csaba G. Kiss* also views peripherality through economic and moral lenses and describes it in terms of an inferiority complex.

*Kacper Szulecki* provides unique insight into internal EU migration, its motivations and dynamism. Central European diasporas living in Western and Northern Europe, channeled back home their disenchantment with host countries, migration, and more broadly with Europe and 'the West' He mentions the testimony of Poland's Prime Minister Mateusz Morawiecki who described his disappointment with previous encounters with Western Europe as a successful CEO in financial business. High hopes for recognition met with disinterest. I suspect more Central Europeans share such an experience.

In the end, there is a broader question as to whether the whole of Europe will not become a periphery in global terms. Will the European Union be able to make effective political decisions in order to remain geopolitically relevant? Or will Europe find itself in the position of a powerless object of competition between the United States and the People's Republic of China?

**JIŘÍ SCHNEIDER**
Executive Director, Aspen Institute CE

# The Far West

If we look at what we call the European continent from the perspective of the people of China, India or Japan, we will see the westernmost cape of Eurasia—the Eurasian Far West. This part of the world is relatively small, but surprisingly diverse in terms of terrain, coastline, climate and the genetic pool of the natives, who are almost without exception descendants of visitors from the Middle East, the Caspian steppes or Central Asia—Greeks, Romans, Celts, Goths, Slavs and other nomads—and today of migrants from virtually all over the world.

For some reason, still baffling the wisest scholars and flaunting all probabilities, this remote corner has managed to establish communication with the entire globe, reaching the farthest corners of the world and civilization, subjugating them for several centuries and drawing huge profits from it. Let us imagine nineteenth-century Japan colonizing most of Asia, Africa, North America, and Australia to boot, and its fleet dominating three oceans. This is what England succeeded in doing. Let us imagine jealous Korea establishing its own outposts in North America, and proud Thailand guarding

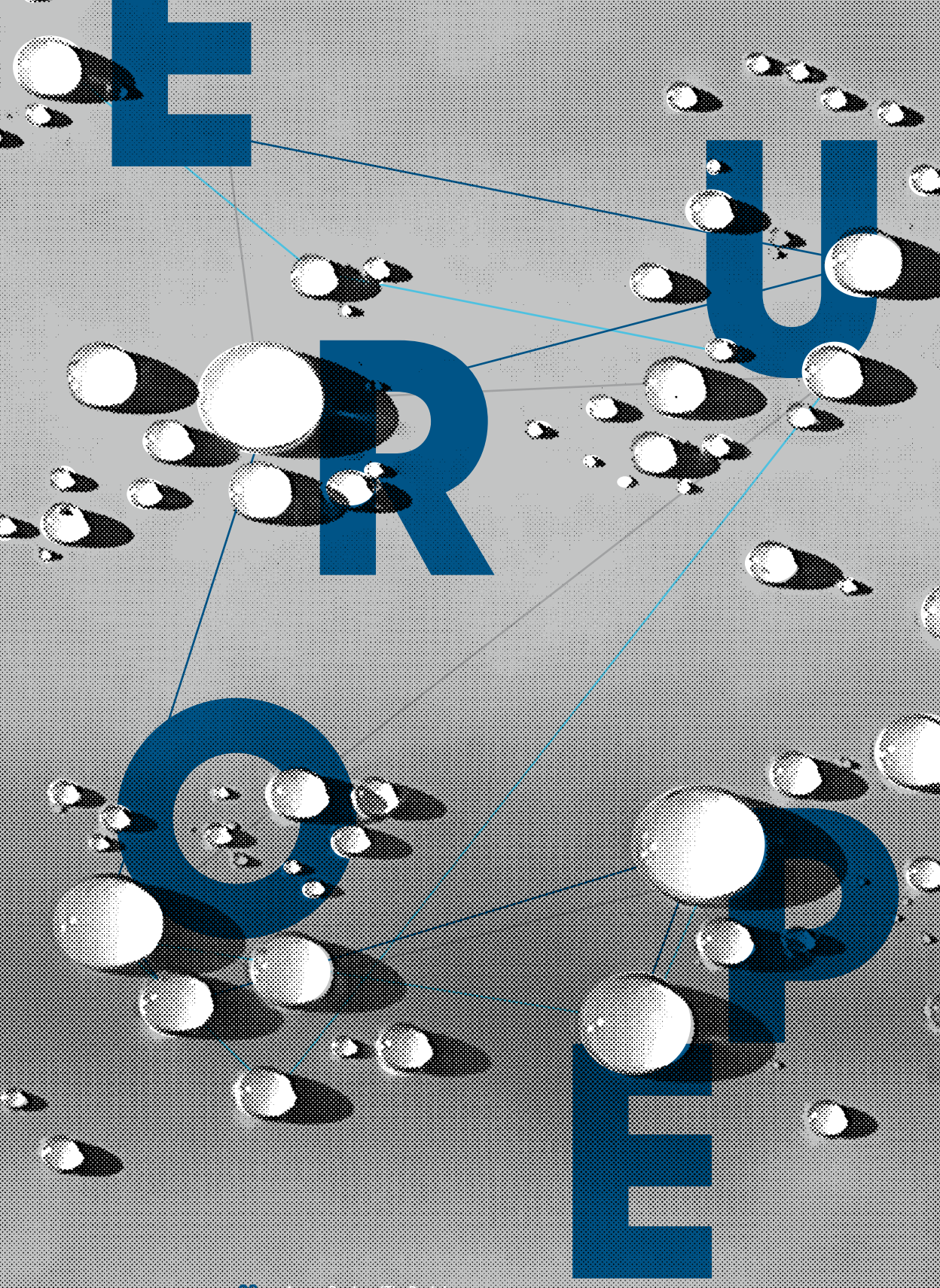
its previously conquered possessions in South America. Let us imagine that the language of modern Brazil is not Portuguese, but Khmer. And that the lingua franca of the peoples of North Africa is the language of the ancient conquerors, let's say Philippine.

Something equally unbelievable was achieved in modern times by several European nations. Even more remarkable is the fact that after centuries of bloody conflicts and two world wars, Europeans created a common political organism and despite obvious adversities still want to develop it. Today, the European Union is the only real measure of European values; they are worth as much as the common European house that we are going to build.

In this context, the celebrated pronouncement by French President Emmanuel Macron, critical of NATO, is a call for a discussion that has been postponed for too long. Macron presented his own vision of Europe, full of specific details. The EU must reinvent itself: stop relying on Americans, agree on a common approach to Russia, build European armed forces, link the distribution of funds with respecting rule of law, and revise the policy of EU enlargement (in short: grant rights and money to candidates for membership in installments, for good behavior, so as not to repeat the mistakes made in relation to the countries of Eastern Europe).

In fact, the French leader called on the leaders of the EU Member States to join forces in the Eurasian game, probably the most important geopolitical game of the twenty first century. The leaders of Central European countries, including Germany, will have to quickly find an answer to this appeal.

**ALEKSANDER KACZOROWSKI**
Editor in Chief Aspen Review Central Europe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# Peripherality in Today's Europe

ASPEN.REVIEW
COLIN CROUCH

COVER STORY
PERIPHERY
CLUSTERING
ICT SECTOR

In contrast with clustering in traditional manufacturing industries, that in advanced manufacturing and services tends to prefer capital cities and others with attractive and convenient environments. The cumulative effect of this is to privilege a relatively small number of cities and regions in a restricted number of parts of Europe.

Important forces are driving differences between cities, regions, whole countries and eventually entire parts of Europe, making for ever bigger contrasts between thea north-western core and southern and eastern peripheries. One of the pressures behind this macro-level trend is a very micro-level factor: firms in many branches of the economy find advantages in clustering, in locating themselves geographically near to others in the same or related fields. In contrast with clustering in traditional manufacturing industries, that in advanced manufacturing and services tends to prefer capital cities and others with attractive and convenient environments. The cumulative effect of this is to privilege a relatively small number of cities and regions in a restricted number of parts of Europe. Market forces reinforce the trend, and government policy, understandably seeking to reinforce national 'winners', follows suit. Only highly imaginative, large-scale public policy actions at European Union (EU) and national levels stand a chance of reversing it.

Clustering is well known to economic geographers, most obviously proximity to natural resources as in the case of the early steel industry needing to be located near reserves of iron ore for its raw materials as well as coal for its high energy demands. This explains the existence of regions like the Ruhr. The availability of reserves of skilled labor, drawn to an area because of the presence of some firms in a particular industry, will also serve as a magnet for other firms. One example is the film business, which tends to locate in a small number of famous places; another is the specialized investment activities of the financial sector, whose firms crowd together in high-rise buildings in specialized districts in a small number of cities. Particularly important for branches with high rates of innovation throughout the economy are flows of tacit knowledge: exchanges of information and ideas that happen spontaneously and beyond the reach of intellectual copyright law when people from various firms working on similar issues meet each other informally and socially.

**The region around San Francisco continues to be the core global hub for innovative information technology firms, despite a heavily overcrowded and deteriorating infrastructure and high land costs.**

### Wealthier Areas will Attract More Quality

It had once been thought that, because many services activities lacked strong locational requirements, they would be spread more evenly across territories than those branches of manufacturing and mining that have very clear physical geography needs. This was expected to be especially true for high-technology activities, which could locate themselves more or less anywhere and had low space requirements in relation to their added value. The reality has turned out to be very different. True, services that are delivered person-to-person and without payment at the point of delivery tend to be distributed according to population density. This is the case for many public services; schools, hospitals, care services, and police will tend to follow a straightforward population density pattern. Marketed personal services, such as restaurants, shops, hairdressers, and local transport serve local populations and will be partly determined by local demography, but also by the wealth of the local population. Wealthier areas will

attract more and better quality of these services, exacerbating existing inequalities even as they create employment.

Particularly important, however, are those high value-added services branches, which do not have a particular need for local markets, have few logistical constraints, and can choose where they go. This does not lead them to spread evenly across a territory, but to prefer high-quality locations, especially if they are primarily employing people with special skills, who need to be attracted. Capital cities, with their excellent transport connections, cultural amenities and access to government personnel, are especially favored, as are other culturally rich or beautifully appointed cities. These branches are strong examples of firms' need to cluster to take advantage of the informal knowledge exchanges that characterize innovation and creativity.

### The Differential Location of Sectors and Income

Economists argue that clustering eventually creates problems of land costs and overcrowded transport networks, bringing diminishing returns to the cluster and leading firms to relocate to new places. From their perspective, extreme clustering is a short-term issue. This may well have been the case for some manufacturing sectors, whose typically large space needs make them sensitive to the increases in land prices that accompany concentration. However, firms in most services branches have low space to earnings ratios and therefore low land-cost elasticities. They are also particularly dependent on the tacit knowledge that flows around clusters, making them highly resistant to incentives to relocate. The region around San Francisco continues to be the core global hub for innovative information technology firms, despite a heavily overcrowded and deteriorating infrastructure and high land costs. Those services that are truly footloose are usually lower value-added activities, sensitive to local costs and not needing to attract scarce staff. It is these that are more likely to move to poorer, unattractive cities. Examples are warehousing (though with a larger space need), back offices engaged in routine tasks, and call centers.

As this last point shows, there is often a relationship between the differential location of sectors and income. A location multiplier is at work, which becomes an inequality multiplier. Cities and regions that already possess advantages will attract the most activities with interesting future prospects and high-earning personnel. These in turn spend part of their income on local ser-

vices of various kinds, creating more local wealth. Local government benefits from property taxes on the services firms, which enables it to maintain and enhance the attractiveness of the city. This attracts more firms seeking pleasant locations. A high proportion of the persons working in these services being highly educated, they are likely to produce children who also acquire a high level of education, boosting the quality of the local labour market and thereby attracting more firms needing highly educated workers. The opposite spiral affects cities that lack the amenities that attract high value-added activities. Young people, and especially well educated ones, leave the region altogether. Often the local economy stagnates; or it might, as in Germany, remain a strong industrial one, but with anxieties about a future in which manufacturing will become ever less important.

The importance of strictly local exchanges of ideas is today moderated today by the communications opportunities of the Internet. Colleagues can work with each other across the world as rapidly as with someone in the next room. However, this is unlikely to cover the implicit exchanges of tacit knowledge. A totally isolated firm or research unit can connect itself to the Internet for exchanges, but that is all they will have. Firms located in geographical clusters can enjoy the same Internet exchanges, *plus* the tacit knowledge of geographical propinquity. Marginal cutting edges of this kind are particularly important for firms and workers in sectors in the throes of rapid innovation, where the development of ideas is particularly important to competitive advantage.

## Clustering and the Formation of Peripheries

The innovative sectors of the post-industrial economy are therefore creating new patterns of centrality and peripherality. This is happening within individual countries, as former mining and manufacturing cities fail to attract innovative services activities, and, once at the center of industrial economies, form a new periphery. Similar processes are at work across Europe as a whole, with entire countries playing the roles of cities and regions within nation states.

Interesting evidence relevant to this hypothesis comes from the EU's 2015 list of the cities and other geographical clusters that it regards as having the most advanced information and communications technology hubs among its (then) member states. ICT can be regarded as an indicator of

territorial economies with advanced skills in a growing, future-oriented branch. To qualify for the list, cities also had to be connected and networked with similar places around the world. These are not therefore cities that are particularly dependent on face-to-face networking. Nevertheless, they show distinct geographical patterns.

**The importance of strictly local exchanges of ideas is moderated today by the communications opportunities of the Internet. Colleagues can work with each other across the world as rapidly as with someone in the next room.**

The EU lists the 34 cities and districts scoring more than 40% in the EU's ICT Hub measures. Twelve of these are located in Germany, seven in the UK, three in France. All but two of the rest (Madrid and Milan) are located in north-west Europe. Two of the German cases (Berlin and Dresden) are in the former East Germany. Otherwise there are none in the former state socialist bloc—and Berlin is a special case. It is interesting to note that, while the German cases are distributed widely across the country (although mainly in the west), all but one of the British cases are within, or in easy travel reach of, London. The exception is Edinburgh, the capital of Scotland. All three French cases are within or in very easy travel distance from Paris. Nearly all cases in smaller countries were in capital cities, or (Uusimaa, near Helsinki) near them, although there were also Brabant and Louvain in Belgium and Delft in the Netherlands. The capital city regions of all western European member states figure in the list, except for the south-western cases of Athens, Lisbon and Rome (although Italy is represented by Milan). The ambiguous Berlin is the only Ccentral European capital in the list.

### The Austerity Policies Imposed are Reinforcing the Gap

The ICT sector is by no means the only sector of interest to the advanced European economy; others may have different patterns. It does, however, serve as an important indicator of a growing core/ periphery separation. The superior incomes and wealth of north-western over eastern and Ccentral Europe are of course of very long standing. What is notable is how an advanced new sector like ICT follows and therefore reinforces those earlier patterns; its novelty does not challenge them and provide opportunities for new places.

Similar though their situations seem, the European south-west and central-east are on different trajectories from each other. The countries of the south-west (Greece, Italy, Portugal, Spain) used to find their role as suppliers of low-cost goods, especially white goods, clothing, textiles, and fresh food to the wealthier countries of the north-west. To be a low-cost producer is a peripheral role, but in these cases it was a stable one. There were also exceptions to it, such as high-quality machine tools and fashion goods from central Italy, motor vehicles from north-west Italy and parts of Spain. These high-quality sectors survive, but (apart from fresh food) the low-cost role has been lost as, within Europe the countries of the center and east, and more globally the Far East, have taken it. The austerity policies imposed on the south-western European countries following the financial crisis of 2007-8 and consequent Eurocrisis are today reinforcing the gap between them and the north-west, but did not create it. It was there already in the failure of these countries to adapt to the loss of their low-cost role following the arrival of the new entrants. That failure was as much a cause of the southern debt crisis as the other way round.

**The collapse of communism opened a new way for the post-1989 political elites and the media to de-historicize and distort such fundamental concepts of democracy as liberalism, feminism, socialism and human rights.**

### Public Investments Could Reverse the Contrasts

The situation in Ccentral and Eeastern Europe is more varied, which is not surprising, as this is a larger and more diverse region. Some countries—mainly the Czech and Slovak Republics, and Slovenia—have becomethe important new centersres of manufacturing in Europe, even if they are peripheral to branches like the new ICT economy. These countries have higher proportions working in manufacturing and related sectors than elsewhere in Europe. Hungary had been part of this group, but has dropped behind in recent years. The same is not so true for the rest of Ccentral Europe or of ex-Yugoslavia, which seem to be fully peripheral.

Deep historical patterns therefore lie behind center-periphery differences in Europe. Areas that were once fundamental to industrial Europe, such as the manufacturing cities of the British north and midlands, leave

the centrecenter and go to the periphery, but other historically central cities, like capitals, rather than entirely new places, are forming the new core of post-industrial Europe. Without major public intervention to establish infra-

**ICT can be regarded as an indicator of territorial economies with advanced skills in a growing, future-oriented branch.**

structure and generally desirable characteristics in new regions, it is difficult to see how this will be reversed. The example of California is often cited as an instance of how a large region became home to the new and highly profitable information technology industry. But California already had a long history of being a desirable location for many activities, attributable partly to its natural environment, but also to massive investments by the federal government, dating back originally to the early twentieth century, when the state of California was economically backward. The original investments were in armaments, aircraft and other military business, moving on later to those in the infant computer industry.

It is likely that only major public investments by the EU and by individual governments could reverse the slide to extreme centerre-periphery contrasts across Europe. Such investments already exist; the EU's contribution to improving infrastructure in the south and east of the Union has been extraordinary and has brought major positive results. The problem is that the market is working all the time to undermine any rebalancing and exaggerate existing patterns. Also, public policy itself to some extent has to echo what the market does. If a new high-value-added sector develops, promising increased wealth, governments have to respond to its needs for various public provisions. But every time they do so, they reinforce the advantages of those cities and regions against those of others, whose lack of comparable facilities prevents them from being the sites of similar developments, and keeps them in the periphery. This is not an easy dilemma to resolve.

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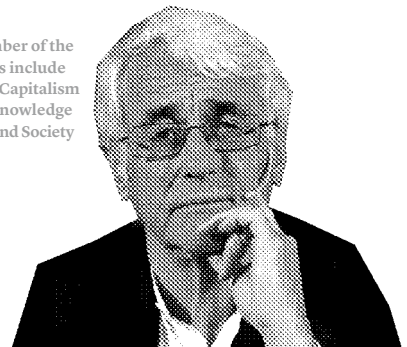
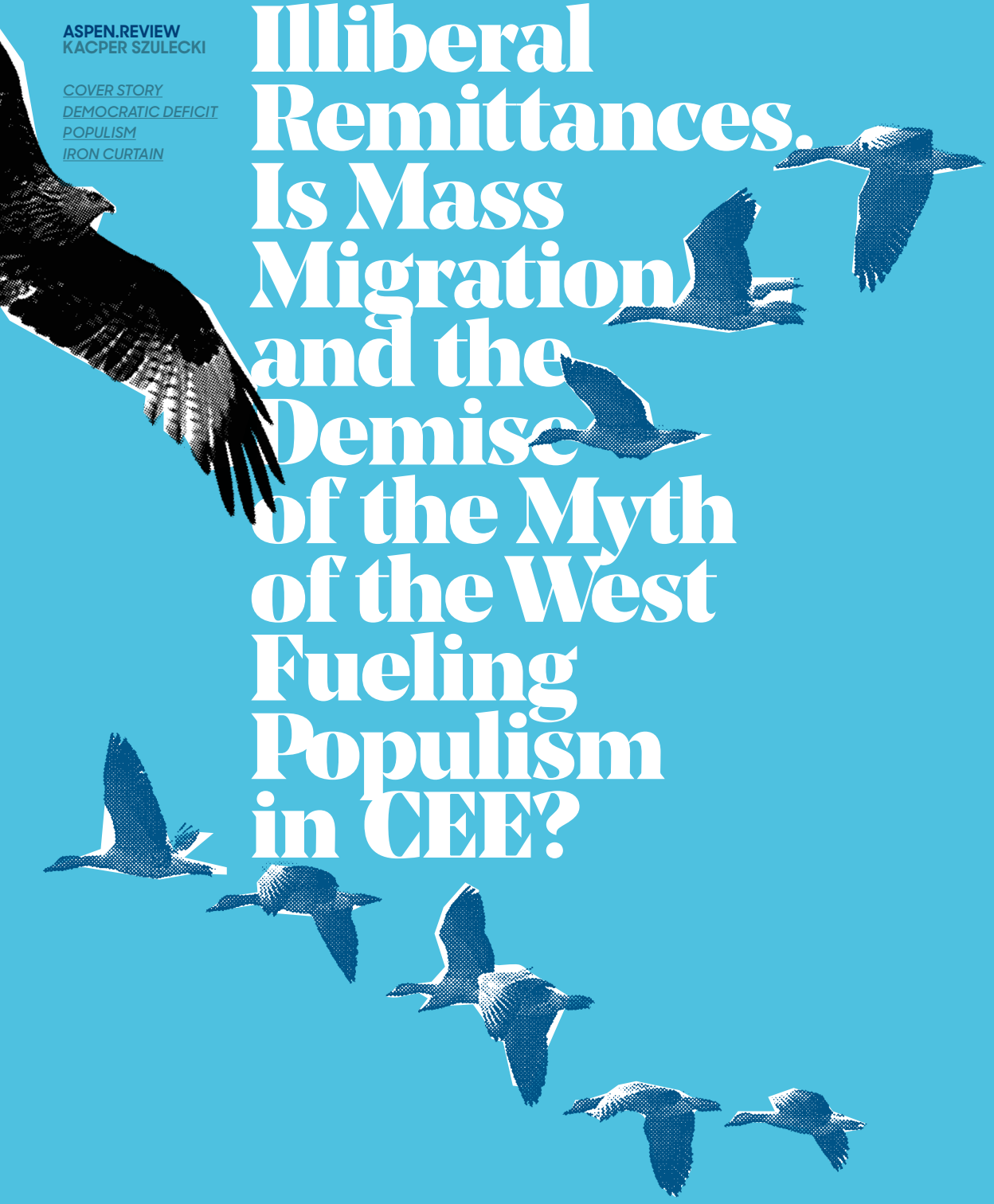


ASPEN.REVIEW
KACPER SZULECKI

*COVER STORY*
*DEMOCRATIC DEFICIT*
*POPULISM*
*IRON CURTAIN*

# Illiberal Remittances. Is Mass Migration and the Demise of the Myth of the West Fueling Populism in CEE?



Freedom of movement—particularly to travel and work in the "West"—was something Central Europeans dreamed of behind the Iron Curtain, and used to be given as the number one rationale for joining the EU. What if mass migration and democratic backsliding are not just coincidental? Are we overlooking the impact of personal experiences of the 'West' on CEE politics?

While Europe is always said to be in crisis, the recent rise in Eurosceptic attitudes and the increased prominence of populist and nationalist forces in parliaments and governments has sparked widespread concern among liberals. Commentators speak of 'democratic backsliding'—the erosion of constitutional liberalism and an orientation toward illiberal and authoritarian hybrid regimes.

This trend is prominent in Central Europe, where democratic consolidation was arguably never fully completed. Viktor Orbán's self-proclaimed illiberal Hungary, the indirect personal rule of Jarosław Kaczyński in Poland, and the gradual introduction of illiberal 'innovation' in the Czech Republic under president Miloš Zeman and oligarch-turned-prime-minister Andrej Babiš are only examples as other CEE countries are also struggling with the erosion of liberal democratic standards.

There are two common explanations for this backsliding. One emphasizes domestic dynamics, arguing that economic conditions, political culture, and other supply and demand factors have worked together to bring illiberal forces to power.[1] The other focuses on the simultaneous emergence of similar developments in different countries. The concept of 'authoritarian diffusion' attempts to capture this phenomenon,[2] along with looser notions of a 'Trump effect' (even though CEE backsliding surely began before Donald Trump took office), or the invocation of some populist *Zeitgeist* haunting Europe.

Both domestic and transnational factors surely matter. What is striking, however, is the rather simplistic image of European politics and of the European Union as a set of easily separable polities and national societies. Both above explanations largely ignore the multi-level nature of EU governance and the degree of contact and exchange between European citizens, including perhaps the most significant 'channel' of East–West exchange in the past two decades: migration.

## Chase the West or Move to the West?

Following the well-known, symbolic scenes of 1989: Poland's semi-democratic election, Imre Nagy's reinterment in Budapest, the fall of the Berlin Wall and the key-ringing crowds in Prague's Wenceslas Square, a no less symbolic journey had begun. Its culmination in political terms was Central European countries' European Union accession in 2004 and 2007.

**In the context of a 'return to Europe', the mass wave of migrations that followed was portrayed in positive terms, not as a response to high unemployment and economic deprivation at home.**

For the new EU members, or at least for much of their elites, the Eastern Enlargement was finally undoing the Yalta division of Europe. For decades, domestic dissidents as well as political exiles—most famously the Czech writer Milan Kundera, but also his compatriot Jaroslav Šabata, the Slovak intellectual Milan Šimecka, the Hungarians György Schöpflin and Mihály Vajda, the Polish activist Jacek Kuroń or exile writer Juliusz Mieroszewski—tried to cast 'Central Europe' not so much as a cultural space, but as a geopolitical project with a non-Eastern political identity.[3] The "return to Europe" provided the master narrative, and the process leading to accession was characterized by high levels of Euro-enthusiasm among CEE societies.

While 2004 and 2007 marked the end of one journey, it was also the beginning of another one, less symbolic, more real—mass migration. Almost overnight, CEE countries became the most important senders of migrants to Western and Northern Europe (the EU15 as well as Norway or Iceland), with the peak number of people moving there reaching an astonishing six million. A whole 'continent moving West'.[4]

## A Divisive Exodus

In the context of a "return to Europe", the mass wave of migrations that followed was portrayed in positive terms, not as a response to high unemployment and economic deprivation at home, but as an opportunity for improving life chances in the West. That 'European dream' coming true was coupled with the dominant vision of intra-European migrations as 'fluid' and largely temporary. You go, you see, you earn, and you come back. Everyone wins.

Parts of the host populations shared these latter hopes, since the 'European dream' of 'Eastern' migrants was immediately reinterpreted as a possible nightmare of 'Western' societies, personified by the Polish plumber arriving to take their jobs.

Fifteen years since the Eastern Enlargement, we know surprisingly little about the impact this divisive exodus had on intra-European relations. Symptomatically, Thomas Risse's landmark work on European identity does not even mention intra-EU diasporas, although it pays considerable attention to the impact of the enlargement on European identity.[5]

## From Liberal Democracy with Love

Yes, the impact of migrants on the host countries has received attention, particularly in the context of the Brexit vote where CEE migrants were turned into a scapegoat. What we are only beginning to realize is the scale and nature of the influence this massive migration wave had on the sending societies. New EU member states have to deal with the fact that a large share of their populations suddenly resides abroad. In absolute terms, Romania, with ca. 3 million, and Poland, ca. 2 million emigrants, were the largest contributors, but perhaps relative numbers capture impact better. Migration rates vary from 5% of the population of the Czech Republic to nearly a fifth of the populations of Latvia (17%) and Lithuania (19.9%).[6] Most of those who moved left someone behind: spouses, children, boyfriends and girlfriends, parents. Taken together, this makes post-2004 migration a generational experience for almost all CEE societies.

**It was assumed that when exposed to life in mature democracies and welfare states, CEE migrants would—whether they settled or returned to their country of origin—integrate themselves into a 'European way of life'.**

Apart from financial gains, an important element emphasized by the pro-European, liberal CEE elites was the foreseen socialization of migrants into European values and political practices. It was assumed that when exposed to life in mature democracies and welfare states, CEE migrants would—whether they settled or returned to their country of origin—integrate themselves into a 'European way of life'.

1) Ben Stanley, Populism in Central and Eastern Europe. In Cristóbal Rovira Kaltwasser, Paul A. Taggart, Paulina Ochoa Espejo and Pierre Ostiguy (eds.), *Oxford Handbook of Populism*, Oxford: Oxford University Press, 2017, pp. 140-160.

2) Aron Buzogány (2017): Illiberal Democracy in Hungary. Authoritarian Diffusion or Domestic Causation? In *Democratization* 24 (7): 1307-1325.

3) Kacper Szulecki (2015) Heretical Geopolitics of Central Europe. Dissident Intellectuals and an Alternative European Order. *Geoforum* 65: 25-36.

4) A Continent Moving West? EU Enlargement and Labour Migration from Central and Eastern Europe, edited by Richard Black, Godfried Engbersen, Marek Okólski and Christina Pantîru, Amsterdam: Amsterdam University Press, 2010. www.imiscoe.org/publications/library/search/2-imiscoe-research-series/15-a-continent-moving-west

5) Thomas Risse (2010): *A Community of Europeans? Transnational Identities and Public Spheres.* Ithaca: Cornell University Press.

6) Magdalena Lesińska (2016) Polityczna rola diaspory na przykładzie krajów Europy Środkowo-Wschodniej. *Politeja* (13): 77–98.

Indeed, some research on diasporas confirms this belief, suggesting that through settling in a consolidated democracy, migrants from less consolidated transitional regimes might internalize values and adopt the practices of their hosts, and in turn "remit democracy home".[7] Much like exiles and Western charities before 1989, contemporary migrants were to send gifts and parcels eastwards—also in the form of ideas of how 'good governance' works.

**The idea of democratic remittances does not translate unproblematically to the context of contemporary Europe. Democratic remittances are as probable as are illiberal remittances.**

Migration researchers have shown that the experience of emigration to a consolidated democracy increases migrants' satisfaction with democracy,[8] even though some may have minimal contact with the host society, e.g. because they do not know the language, and financial success may be a factor here.[9] Those experiences can then lead to 'democratic remittances' as migrants return or share their experience with families and friends back home.

Yet, a passing look at the empirical evidence suggests that the idea of democratic remittances does not translate unproblematically to the context of contemporary Europe. The CEE diasporas living in Western and Northern Europe, once hailed as the vanguard of liberalism in terms of their political preferences as expressed in sending country elections (e.g. the 2007 Polish snap election where migrants were said to contribute to ousting Kaczyńskis' Law and Justice), now appear much more heterogeneous.

Poland's 2015 election saw a surprising shift, where the diaspora supported right-wing populists and nationalists to a much greater extent than did voters at home. The same was true for Latvians in 2018.[10] And while a number of disclaimers are due: the diaspora turnout is extremely low, and hardly representative for the entire migrant population; it varies geographically within and across receiving and sending countries; demographic factors play a role; the vote is volatile etc.—what we can surely say is that democratic remittances are as probable as are *illiberal remittances*.

Democratic remittances presuppose a clear hierarchy, with a superior host country (or region), which appears and feels 'better' than the home left behind. The illiberal sway among migrants can be due to the fact that the West's superiority is no longer a political and cultural axiom at home, and that personal experiences can bring disenchantment as much as fascination or mere satisfaction.

## A Return to Where?

Central European dissident intellectuals tried to challenge the East/West divide in different ways—by moving Central Europe closer to the West, like Kundera, or by dissolving the demarcation line and making Central Europe a bridge between two zones, like Šabata and Mieroszewski. However, their heretical geopolitical project has been completely derailed. The division lives on, but what does seem to fade is another feature of Cold War imagery—the myth of the 'West'.

"In the thirty years of post-communism"—argues Jarosław Kuisz—the citizens of Visegrad countries have never been closer or more similar to western Europeans than they are today, in terms of their material status or the functioning of state institutions. Yet there can be no doubt that something significant has changed in recent years. This is simply that in the Visegrad countries, the post-communist myth about the West has lost the power to convince".[11]

To be sure, in Central and Eastern Europe there was always a duality of intellectual traditions, as far as the relationship with the West is concerned. On the one hand, there were those who either wanted to imitate or to learn from the West, and they remained in constant struggle with those, who took pride in *not* being like the Westerners. *Zapadniki* and the Slavophiles in Russia are perhaps the best-known examples, but such internal cleavages existed across Central Europe. In Poland they go back as far as the seventeenth and the eighteenth centuries, and the struggle between the Westernizers and the Sarmatians.

Ideological pedigrees aside, what is important is that for the first time in post-War history, in many formerly Westward-looking societies of CEE, the ultimately positive connotation of 'the West' is losing ground and political majorities are able to say legitimately: we do not want to belong to the West. "We will always be an Eastern land"—claimed Marek Magierowski, the state secretary to Poland's president Andrzej Duda.[12]

7) Clarisa Pérez-Armendáriz and David Crow (2009): Do Migrants Remit Democracy? International Migration, Political Beliefs, and Behavior in Mexico. *Comparative Political Studies* 43 (1), pp. 119–148

8) Romana Careja and Patrick Emmenegger (2011): Making Democratic Citizens: The Effects of Migration Experience on Political Attitudes in Central and Eastern Europe. *Comparative Political Studies* 45 (7), pp. 875–902.

9) William Mishler and Richard Rose (2001). What Are the Origins of Political Trust? Testing Institutional and Cultural Theories in Post-communist Societies. *Comparative Political Studies*, 34(1), 30–62.

10) Aija Lulle, 2018, Welcome to the Geography of Populism: The Diaspora Vote in the UK during the 2018 Latvian Elections, LSE EUROPP Blog.

11) Jarosław Kuisz, The Two Faces of European Disillusionment. An End to Myths about the West and the East, *Eurozine*, 1 April 2019.

12) 'Zawsze będziemy krajem Wschodu: Z Markiem Magierowskim rozmawia Łukasz Pawłowski', *Kultura Liberalna*, 24/05/2016

13) Aleksander Kaczorowski, Returning to the East, Aspen Review, N. 4, 2019, pp. 6-7. Also: György Schöpflin, Europe after Thirty Years, a Long Chapter of Misperceptions? Aspen Review, N. 4, 2019, pp. 19-23; Kacper Szulecki, 'Conclusion: Can Dissidentism Explain Post-Dissident Politics?', *in Dissidents in Communist Central Europe: Human Rights and the Emergence of New Transnational Actors*, London: Palgrave, 2019, pp. 207-229.

## Invisibility and Resentment

Where is this demise of the myth of the West coming from? Among political elites, it obviously has many sources. Part of the rhetorical turn to a newly imagined 'East' is a strategic response to the criticism CEE's politicians deviating from liberal democratic norms have received. For years 'What will Europe say' was the ultimate disciplining phrase, allowing pro-Western elites to keep opponents at bay. Shaming and blaming, based on invocations of Western values and ideals, was still visibly effective during Law and Justice's first term in office in 2005-2007.

Since 'catching up with the West' was a universally accepted paradigm, and liberal elites were unanimous with their open fascination (it was 'sheer bliss', Donald Tusk said of his first trip behind the Iron Curtain), challengers were powerless. Illiberal politicians learned their lesson, however, and understood that instead of being penalized for breaking them, they can refuse to accept the rules altogether. Much like East-Asian autocracies of the 1990s, who responded to human rights pressure with the discourse of 'Asian values', Central Europe's populists built their narrative on an affirmation of the local ways (close to 'the people'), and the rebuttal of any 'foreign' elite impositions.[13]

**For the first time in post-War history, in many formerly Westward-looking societies of CEE, the ultimately positive connotation of "the West" is losing ground.**

The economic and social problems that Western Europe faces, and the relative improvement of living standards, pointed out by Kuisz, certainly do not help in maintaining the West's mythical superiority.

There is another part to this story, however, that of personal experiences, even more important in the context of mass migration. Populist political elites also seem to be prone to a broader disenchantment with the West. Poland's prime minister, Mateusz Morawiecki, formerly a successful financial CEO, was speaking of his own encounters with Western Europe in terms of disappointment, in which high hopes for recognition met with disinterest.[14] Emotional resentment is easily channeled towards populist politics.

While CEE migrants are often described as 'invisible minorities', which supposedly puts them in a more privileged position than that of most non-European migrants, like in Morawiecki's account, they can feel 'invis-

ible' through the lack of recognition they feel they deserve and not being treated as part of the in-group, where they feel they belong. This was particularly visible in the accounts of post-Brexit CEE migrants, complaining that Indian or Pakistani minorities were not threatened by the 'Leave' vote, not able to comprehend why 'they' feel more at home in Britain than 'we'—white, Christian, Europeans.

## Disenchantment and the peculiar migrant experience

Recent ethnographic studies of EU diasporas suggest that there might be a causal mechanism in play, neither directly linked to demographics nor to conscious political agency. Drawing on first-hand accounts, some authors have identified shame, resentment and disenchantment as key emotional drivers of the migration experience.[15] It fuels a broader *disenchantment*: with host countries, migration, and more broadly with Europe and 'the West'.

I use disenchantment rather than disillusionment to underline the quasi-messianic character of the geopolitical 'return to Europe' narrative, which was put to test by the Eastern Enlargement. For Kees Van Kersbergen, quasi-messianism concerns the "visionary anticipation of a better world that is attainable" which accords politics "an enchanting quality".[16] This disenchantment is triggered in situations involving a discrepancy between the real and anticipated levels of welfare, prosperity, social status, but also the subjective sense of belonging to the West.[17]

The most telling example of just how outdated the 'European dream' has become and how naïve it seems to many who actually lived through it, is the backlash against the words of Poland's then first lady, Anna Komorowska, who suggested that "emigration is a chance" and should not "be treated as a drama".[18] A phrase that would most likely be uncritically accepted in 2005 was used as yet additional evidence of the liberal elite's 'detachment', and effectively used in the populist electoral campaign that swept her husband and his party out of power.

Migrants often face social degradation, at least in the initial phase of their settling in a new country. They land in a lower social stratum, often working below their qualifications. As the lowest-paid jobs are in many countries dominated by other migrants, before the Enlargement mostly non-European, on top of disenchantment, many CEE migrants live through

14) Keynote speech by Polish Deputy Prime Minister Mateusz Morawiecki at the 10th Congress of Polish Student Societies in the UK, hosted by Jarosław Kuisz. Available at: www.youtube.com/watch?v=2t538Oc7yqU

15) See: Marek Pawlak, Zawstydzona tożsamość. Emocje, ideologie i władza w życiu polskich migrantów w Norwegii. Kraków: Wyd. UJ, 2018. Also: Elżbieta Hołdyńska, Emigracja Ambicji. Poznań: Zysk i S-ka, 2017.

16) Kees Van Kersbergen, (2010) Quasi-Messianism and the Disenchantment of Politics. In Politics and Religion, 3(1): 28–54, here 28.

17) Marta Bivand Erdal and Aleksandra Lewicki (2015) Moving Citizens: Citizenship Practices among Polish migrants in Norway and the United Kingdom, Social Identities, 22:1, 112-128; Marek Pawlak (2013): Trust, Reciprocity and Mistrust. The Pragmatics of Living Mobile Lives between Poland and Norway, [in:] J. Kulpinska et al. (eds.), EuroEmigrants, Kraków: Wydawnictwo PAU: 1-19.

18) „Anna Komorowska: Emigracja to nie zawsze dramat. To szansa", *Gazeta Wyborcza*, 15 May 2015.

a very particular experience of the host society, detached both from the image of home countries left behind, and from the actual image of host countries that most their residents hold.

**Many CEE migrants live through a very particular experience of the host society, detached both from the image of home countries left behind, and from the actual image of host countries that most their residents hold.**

This peculiar experience is much more aligned with far-right stories of an 'Islamization of Europe', absurd as they may appear to middle-class Westerners, and overall contribute to the further undermining of Western symbolic superiority. Nativist and far-right radicalization can be the outcome, feeding on disenchantment and misperception. To be fair, host countries in the West do very little to limit that, since intra-EU migration is often not seen as an object of conscious integration policies.

Unfortunately, due to the scale of CEE migration, this skewed experience is not only limited to the migrants themselves—it can be diffused to their broader social network. The scale and nature of this phenomenon requires much research by anthropologists, human geographers, sociologists and political scientists. For now, we can only conclude that it is plausible that a broad, multi-dimensional disenchantment with the West, to which mass migration greatly contributes, is among the factors fueling far-right and populist tendencies. Liberal elites both in sending and host countries can no longer overlook the nuanced migration experience, including illiberal remittances and the personal burdens emigration involves.

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# Farewell to Periphery

ASPEN.REVIEW
VÍT DOSTÁL

*COVER STORY*
*IDENTITY*
*EUROPEAN INTEGRATION*
*REFUGEE CRISIS*

Central Europe has long been struggling with its peripheral position in Europe. What exactly is the nature of this outer edge and can it be cast away? Or is self-stigmatization a part of Central European identity? Is it being used as an excuse to avoid addressing real and pressing issues?

## Periphery as a Fate?

Central Europe ponders its excluded position practically non-stop, and such a narrative has remained current for the last thirty years. In 1989, we were a forgotten periphery, which struggled for the opportunity to catch up with Western Europe, and eventually became a part of the European integration project. The slogan 'Return to Europe', found in the countries of Central and Eastern Europe, bore the symbolism of transition from undemocratic structures to rule of law, from centrally planned deprivation to prosperity and affluence.

Thirty years later, the debates show no sign of waning. We still engage in discussions about our existence on the periphery, or perhaps more precisely, our provinciality. There are two aspects that mingle here, economic and moral. It is relatively easy to ascertain if one plays the second league as far as the economy is concerned, quantify the measures needed to be taken and work on closing the divide between unevenly developed corners of Europe. The debate on moral periphery, on the other hand, goes hand in hand with the vision of the European Union we entertain, and whether we really want to catch up with Western Europe after all.

**While per capita GDP of Central European countries has been catching up with other peripheral countries the traditional European regions from the north of Italy to Benelux countries are as far away as ever.**

The fact that Central Europe economically lags behind their Western counterparts is a completely normal and simple fact that has had its reasons in history, and cannot be reversed after a few years of successful economic integration. While per capita GDP of Central European countries has been catching up with other peripheral countries, such as Greece or Portugal, the traditional European regions from the north of Italy to Benelux countries are as far away as ever.

What is more, we have never been well connected to these regions, be it through infrastructure, trading networks, cultural closeness or political decision-making. The European Union has many tools and policies at its disposal to address directly the uneven development between prosperous regions and less fortunate ones, but despite the efforts, the differences are vast. We could find many instances where Central and Eastern Europe fares significantly worse, be it lagging behind in productivity, in lack of world class scientific research, or not having a single kilometer of high speed railway.

**Joining the EU resulted not only in unprecedented integration with westward regions, but in integration within Central Europe itself and in an outstripping of the legacy of the Austrian-Hungarian empire as well.**

Yet thanks to it geographic location the region has a great potential to leave these economic backwaters. The central location, in the past a strategic and security liability, appears advantageous in the integrated whole. We should not forget that joining the EU resulted not only in unprecedented integration with westward regions, but in integration within Central Europe itself and in an outstripping of the legacy of the Austrian-Hungarian empire as well.

Thus it is possible to ascertain that despite its current peripheral economic status the states of Central Europe have great potential to move into top tier economies.

### Where is the Moral Periphery?

The moral and political issue dealing with the fringe of Europe is a complex one, as it is difficult to pinpoint what and where the center towards which we are to relate actually is. Some critics of the current political development in the Visegrad Group countries claim we are drifting more and more towards the edges and are falling into the dark pits of provinciality. Others claim that Central Europe is currently at the vanguard of true 'European values' and assert a higher moral ground.

**Criticism of political development in Central Europe often goes hand in hand with denouncing cooperation among V4 countries as an epitome of lack of solidarity and concern only for one's own issues.**

In such debates, the relationship between the center and its periphery serves as a mere tool to criticize others or extol our actions. Yet it is essential that we study how the identities of 'the lagging periphery', 'the new avant-garde', or 'the cultural counter revolution' are created and which attributes they come to embody. It could be useful when attempting to explain the rift concerning the distribution of migrants and refugees in 2015, whose roots are nevertheless deeper.

Critics of political development in V4 countries point out weakened rule of law, stigmatization of minorities or the rule of conservative government a the attributes of the peripheral lagging behind. Quite often we hear that today we would not qualify to join the EU as we would not meet the Copenhagen criteria for new members. Criticism of political development

in Central Europe often goes hand in hand with denouncing cooperation among V4 countries as an epitome of lack of solidarity and concern only for one's own issues. Instead of asking why it is that the electorate supports such policies, as recent elections show, there are voices, namely in the Czech Republic and Slovakia, calling for an exit from the V4 group.

Yet such a step would not solve anything. First, it is necessary to convince our societies that a democratic and law abiding state is more beneficial than any other alternative. Second, it is impossible to leave Central Europe, and if we want a different Visegrad, then we have to come up with a plausible alternative. The 'Orbanization' of the Visegrad group is occurring because other countries have allowed it. Third, as I have mentioned earlier, the integration of our region is a unique opportunity to overcome economic disparity. Closing the door on openness and integration would only bring more problems and difficulties.

The issue of whether Visegrad is an impediment to our civilizational development is tied to the politicization of this group. In 2015, when the refugee crisis suddenly hit Visegrad, cooperation became all the rage for all concerned politicians. Until that time it had been hovering at the fringes of their interests, yet with the rejection of the relocation quotas for asylum seekers it became the trademark of regional cooperation and the push back against Brussels. It became a symbol of 'common sense' for many politicians and part of the public. V4 politicians often talk about mistakes committed by Western Europeans which they are not willing to make. In their view, today's Western Europe is not worth following. The story of returning to the West ceased to be part of the political mainstream. On the contrary, politicians present ideological and cultural differences between the West and the Center East. This dichotomy is largely artificial, as Western and Central European societies are not monolithic blocks. As the recent polling shows, only Hungary's policy-makers are optimistic about the importance of V4, with the Czech and Slovak ones being decidedly less so.

**Unfortunately, today's Visegrad leaders are fanning the conflict between the West and East within the EU. The aim of the Central Europe should be the exact opposite—bridging differences, deepening the cooperation.**

### For a Europe without peripheries

The emancipation of Central Europe is not a misstep. On the contrary, it is a necessity. That is why it is important to consider the objectives our region aims to reach. If V4 wants to inspire, be a vector of positive change and push for openness that brings along prosperity and growth of our societies, then it can benefit itself and Europe as a whole. If, on the other hand, we decide to opt for the position of the oppressed periphery, which finds itself in permanent opposition toward the domineering center, without convincing Western Europeans about the merit of European integration, we could find ourselves in the position of an unwanted periphery, and be perhaps forgotten again.

**In 2015, when the refugee crisis suddenly hit Visegrad, cooperation became all the rage for all concerned politicians. Until that time it had been hovering at the fringes of their interests.**

Unfortunately, today's Visegrad leaders are fanning the conflict between the West and East within the EU. The aim of the Central Europe should be the exact opposite—bridging differences, deepening the cooperation, so that we can achieve a Europe without peripheries.

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# Csaba G. Kiss: The Center of Europe Has an Inferiority Complex

Slovenia and Croatia could be admitted to the V4. The group would then extend from the Baltic Sea to the Adriatic. But what are we talking about when 30 years after 1989 it takes ten hours by train to travel from Warsaw to Budapest?—says Professor Csaba G. Kiss interviewed by Zbigniew Rokita.

**ZBIGNIEW ROKITA: How will the thirty years that have passed since 1989 go down in the history of Central Europe?**

**CSABA G. KISS:** As a new beginning and a quest for its place in Europe. When we wrote the agenda of the Hungarian Democratic Forum in June 1989, we wanted Hungary to become a neutral country, we were thinking about Finlandization....

**...Just like during the 1956 revolution.**

Exactly. We didn't know what would happen next, what plans Moscow or Washington had. We also did not know what capitalism really was, what the buy-out of our assets by Western companies and generally privatization would bring. There were many uncertainties and that's when the quest began.

**And has Central Europe already found its place in Europe?**

Not entirely. I would say that it has been done in 60-70%. We are still chasing the West economically. So many millions of people from our region still have to live abroad. Our voice is still hardly heard.
We dreamed of becoming a country of Western Europe, because Central Europe belongs to the West—Hungary, for example, has been part of it since St. Stephen chose Rome, rather than Byzantium, in the ninth century. You remember Milan Kundera writing about this in 1983—the kidnapping of Europe. Meanwhile, we are still at the frontier of Europe, and to some extent the West has become less attractive today. We can see that Western Europe is in crisis.

**We dreamed of becoming a country of Western Europe, because Central Europe belongs to the West—Hungary, for example, has been part of it since St. Stephen chose Rome, rather than Byzantium.**

**What kind of crisis?**

This is, above all, a crisis of values.

**Such as liberal democracy?**

That too, but I am thinking mainly of Christian values. The founding fathers of the European Communities were Christian. But I heard from the Germans some time ago that the European Union is, first and foremost, an economic organization.

**And this is what produces the disillusionment of Central European elites in the European Union and, more broadly, in the West? The departure from Christian values?**

Yes. Many German researchers say that we are now living in a post-national era. I cannot agree with that. Another thing is that I am against nineteenth century nationalism, which is why I consider the Visegrad Group a great success. Remember how tense the relations between our peoples were in the interwar period.

**It ended with the annexation of Zaolzie by Poland.**

And southern Slovakia by Hungary.
We also have a common memory that brings us closer together. The basic memory of Europe is the Holocaust, but there is no room in it for Communism beyond the Iron Curtain. For them, Central Europe is an uncharted area. The 75th anniversary of the Normandy landing aroused great interest in the West, but the anniversary of the Warsaw Uprising did not.
Our countries should jointly promote the history of the region in the West. In the House of European History in Brussels, Józef Piłsudski is presented as an extremist, almost a fascist. We can perhaps speak about authoritarianism in Poland between the two World Wars, but to call him an extremist?
Western Europe does not know much about our part of the continent. In Poland

or Hungary we learn about the English or French Revolution, but they are not learning about the Spring of Nations. In their eyes, we are generally second-class Europeans.

**Western Europe does not know much about our part of the continent. In Poland or Hungary we learn about the English or French Revolution, but they are not learning about the Spring of Nations.**

**Has something changed in the way Western Europeans perceive us over the last 30 years?**
Not much. Something has changed, but not much.

**And aren't we ourselves in Hungary, Poland or the Czech Republic contributing to us being viewed critically? With Poland and Hungary dismantling the institutions of liberal democracy, Hungary and the Czech Republic flirting with Putin and with aggressive language on the part of the highest ranking politicians?**
Yes, sometimes our policy is aggressive, but isn't Macron's policy aggressive too? Absolutely. And the political and economic position of France is weaker than the power of the French voice. We also have our own interests. For example, from the point of view of Hungarian interests, the enlargement of the European Union to the Balkans is important, and the accession of Macedonia and Serbia is particularly significant.

**Speaking of enlargements, would it make any sense to expand the Visegrad Group? There are many voices saying that V4 lost its sense of purpose when it fulfilled its role, so perhaps new members would invest the organization with a new dynamic.**
I agree. Slovenia and Croatia could be accepted. V4 would then extend from the Baltic Sea to the Adriatic, and it could gradually expand this cooperation even further to the Black Sea countries. But what are we talking about when 30 years after 1989 it takes ten hours to travel by train from Warsaw to Budapest?

**You mentioned the Balkans. In her book Maria Teodorova names the countries of the region that produce positive associations with the concept of the Balkans.**
Only Bulgarians.

**Yes, and also the Albanians. What about the concept of Central Europe in our region? In Poland, for example, the first geographical identification for the vast majority of society would be that we belong to Central Europe, which sounds neutral.**
For Hungarians, Czechs and Slovaks, this term does not have a negative coloring ei-

ther. The book *Mitteleuropa* by the German liberal Friedrich Naumann, published in 1915, cast a shadow over it for a long time. He envisaged the Central European region under the rule of an integrated Germany of the Hohenzollern and Austro-Hungarian Habsburgs. For a long time, ideas from this book and the concept of Central Europe were commonly associated with each other.

The Prague Spring was a breakthrough for our generation, it was then that I realized that there was no other way, but to act together. I remember though that in the 1970s in Czechoslovakia or Poland hardly anyone was interested in understanding what Central Europe meant. In 1976 I was happy when I got my hands on the Parisian journal *Kultura*. I finally found Polish thought about the region! We started to promote the concept of Central Europe in our generation even before Kundera, but he was the one who gave it an international currency.

**The Prague Spring was a breakthrough for our generation, it was then that I realized that there was no other way, but to act together.**

So to return to your question: yes, the inhabitants of the Visegrad countries see themselves as part of Central Europe. They understand that this is not Western Europe, but it is not Eastern Europe either.

**Are you convinced that the Czechs see it this way, too? It seems to me that they rather see themselves as an indigenous part of the West, and they see Poland as the East.**

The Czechs feel they are part of Central Europe. It is a pan-European stereotype that our eastern neighbor belongs to an inferior class.

**Just like the Austrian politician Klemens von Metternich, who once said that Asia began behind his garden. In your opinion, does Central Europe have any specific features, or perhaps it is a purgatory—no longer Eastern hell, but not yet Western heaven?**

We—Hungarians, Czechs, Slovaks, Poles—have an inferiority complex. This is a shared feature. Being aware of our shared inferiority complex can liberate us from it. We have been affected by a tragic history, and we should be aware of shared traumas.

**Sometimes we succumb to megalomania. Do you know that according to a recent OKO.press survey, 74% of Poles believe that it was they who suffered the most out of all the nations of the world? More than Jews, Armenians or Russians.**

Hungarians think the same. And I hear from the Slovenian intelligentsia that it was the Slovenians who suffered the most. We need to get out of this trap of thinking

that we are the ones who have suffered the most. Every country of Central and Eastern Europe had its share of terrible times.

**We—Hungarians, Czechs, Slovaks, Poles—have an inferiority complex. This is a shared feature. Being aware of our shared inferiority complex can liberate us from it.**

**You said that the West treats us as worse than them. However, how can they see us differently if we ourselves feel worse, if we share their point of view? We demand more from them than from ourselves.**

You are right. We think about ourselves either too much or too little. We lack balance.

**And what should we do about it?**

There is no prescription. But it is worth starting by getting to know our neighbors, and we have failed in that for the past thirty years. We recently organized a camp for translators and provided them with excellent conditions. But we were unable to recruit even three Hungarian-Czech translators. Everyone is focusing only on English. A friend of mine told me about his student defending his doctoral dissertation on democratic changes in Czechoslovakia after 1989. It turned out that this Hungarian doctoral student based his work on sources in English. It is impossible to understand Czechs, Slovaks or anyone else in this way. In Hungary, we do not have experts on the Visegrad countries. It is our fault, and the problem is not in Berlin or Paris, but in us.

**I would risk a claim that Poles would not be able to name a single date from the history of Slovakia apart from the 1989 breakthrough, and from the history of Hungary they would perhaps name 1956, although I am not sure...**

...No, they certainly know about 1956.

**...and from the history of Czechoslovakia only 1968. We were talking about Central Europe, and only three hundred years ago, before the Northern War, Europe was divided not into Eastern and Western Europe, but into Northern and Southern Europe—for example, Poland belonged to the "better" Northern Europe. Is there a return to this division?**

No. In his book *Inventing Eastern Europe*, Larry Wolf describes how French Enlightenment thinkers invented a second, inferior Europe – Eastern Europe. The West had to create the East, because everyone needs someone inferior to feel superior to. There is a division between the South and the North, but only within Western Europe. But the East has not always produced bad associations. An interesting feature of the history of Hungarian thought was that after the First World War many of our

intellectuals said that Hungary was not part of Western Europe, but of Central and Eastern Europe. It was the opinion of the composer Béla Bartók, for example, who started to learn Romanian at that time. He was convinced of the deep affinity between the cultures of Central and Eastern Europe.

**It is sad that the main thing uniting the elites of Central European countries is a negative attitude towards refugees, which they focus on only instead of dealing with long-term projects such as transport or education.**

**During the economic crisis a decade ago, some people announced a return to the intra-European North-South axis, where the North was to be the countries doing well. In this way, Poland found itself in the "superior" camp for a while. And then the migration crisis came and doubts whether we still had the East and the West were dispelled.**

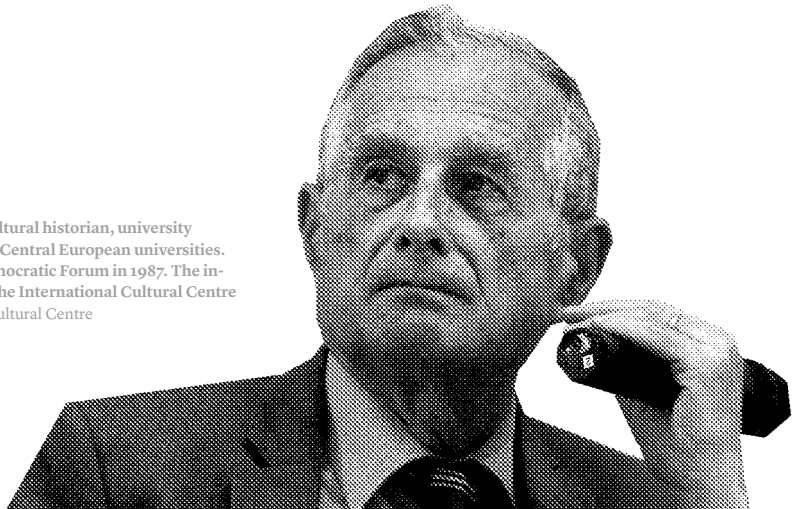
It is sad that the main thing uniting the elites of Central European countries is a negative attitude towards refugees, which they focus on only instead of dealing with long-term projects such as transport or education.

**And if we catch up with the West economically or politically, will the concept of Central Europe be exhausted and disappear?**

Cultural or mental differences will remain. It's not just about an inferiority complex and catching up.

**Professor Jerzy Kłoczowski claimed that in the area that he roughly defined as the Habsburg lands and the Polish-Lithuanian Commonwealth there was a civilization of the European frontier.**

In a way, he was right. But our common Central European cultural code is not being studied, and instead we are resorting to stereotypes.



**CSABA GYÖRGY KISS**

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ASPEN.REVIEW
PAVOL KOSNÁČ



Aspen Young Leaders

# The Rise of Paramilitaries in CEE

The formation of paramilitary groups can have both positive and negative effects. There is no reason for an automatic alarm if one emerges—but there is always a reason for caution.

A paramilitary group is any group, that is not a proper military unit, but has the culture and organization of one. The checklist of what constitutes it is long, containing points such as military ranks and hierarchy, equipment, training methods and mimicking of other elements of the military. The two most important, however, are culture and organizations. Gaining weapons is relatively easy, and even training can be obtained in a matter of weeks to months, but culture and organization is what makes or breaks a paramilitary group.

Some of the most famous paramilitary groups in CEE were People's Militias affiliated with the Communist Party, arguably a negative example, or elements of Czechoslovak Sokol or Polish Strzelec, that formed underground units fighting the Nazis. This was a positive role, I would argue. The revival of Strzelec and other paramilitary groups in Poland since 2014 was handled well by Polish authorities and became an asset that is slowly being integrated into the national defense infrastructure. The situation in other parts of CEE is more complicated, and the outcome may not be so positive.

The formation of paramilitary groups can therefore have both positive and negative effects. There is no reason for an automatic alarm if one emerges—but there is always a reason for caution. When it happens, the first point of action of anyone responsible should always be to know why it happened, and where its leadership and membership stand when it comes to motivations, loyalties and values.

### Reasons for the Emergence

There is no unified theory or typology when it comes to the reasons why such groups emerge. There is also no single reason that can explain this phenomenon. What I will describe are the reasons me and my colleagues came across when studying historical records, contemporary reports and combining it with our own experience.

**Capturing zeitgeist is uneasy and doing so for CEE is further complicated by the fact that the western civilizational context must be adjusted for the post-communist past and often with a heavy dose of nostalgia.**

### 1. Circumstantial

Circumstantial reasons are an umbrella term for individual and local variables that influenced the emergence of a concrete paramilitary group. These may be, for example, a wave of violent crime in the area, or a deliberate political project. A massive migration crisis, such as in 2015/2016, frightened a great number of people and contributed to the revival of some groups in Hungary and the Balkans. The war in Ukraine greatly contributed to the emergence and growth of paramilitary groups in Poland.

Those variables are random. It is always a good idea, however, to ask at least 3 questions, when assessing the circumstantial reasons. The first one is about the leader—is it his influence that started and sustained the whole group, making it a one man show? Is his high motivation and personality the main force that drives the emergence of this group? This is the shared case in Slovakia and the Czech Republic, where paramilitary groups rely on the strong persona of their leaders. Second, we investigated the possible existence of a paramilitary tradition in the area—if there is one, then it can be much more frequent as is the case in Poland. In Slovakia, if the leader is gone, the group would probably crumble. In Poland, it is more about the tradition that sustains these groups. And the third and most important one—is there a war going on? Because war changes everything. In peace time, joining a paramilitary group can be a lifestyle choice, and possibly an uncommon one. Motivations can be unclear. In wartime, it can often be a very rational and pragmatic decision to have a paramilitary group around. Ukrainian oligarchs could tell.

### 2. Zeitgeist

Circumstantial reasons describe variables on the individual and local level. Zeitgeist, or the 'spirit of the times', attempts to describe variables on a sociocultural, political, and indeed a historical level. It is an attempt to capture the atmosphere of society, the dominant cultural influences and counter-cultural reactions. You can picture the relationship between circumstantial reasons and zeitgeist reasons as a relationship between the weather and the climate. Both influence each other, both change—one daily, the second generationally—and both matter.

**Surveys indicate plummeting trust in all traditional authorities, whether this be the state, science, the church or the media. If there are no trustworthy authorities in society, anxiety and insecurity grows.**

Capturing zeitgeist is uneasy and doing so for CEE is further complicated by the fact that the western civilizational context must be adjusted for the post-communist past and often with a heavy dose of nostalgia. I am not far enough in my research and my tour of interviews with CEE historians, politicians, social scientists and philosophers is far from over to provide a

comprehensive description, but I am far enough to identify three concrete fragments of zeitgeist that have the most prominent influence amongst members of paramilitary groups, and can be consistently found across all those I met across CEE.

First is the *speed of change*. The world is changing, and the change is so fast no one can keep up—the best analysts have no idea what effects the massive technologically and socially co-dependent change will bring. We do not know what fully digitalized societies will do to us, or what truly individualist, universal income providing societies with no overarching narrative will do; none of this has precisely existed. Part of society welcomes it as an amazing opportunity, the other part as a potential mortal threat. As we know, tension between these two tendencies in society are universal. And members of paramilitaries in CEE are predominantly from the more cautious part of the spectrum. They are skeptical about the rapid change and would prefer if it would be slower and more gradual. They view their membership as a partial insurance against potential harmful outcomes of uncontrolled and rampant change, since they gain a community of friends that feel the same and can teach them how to be more self-sufficient.

The second one is *the crisis of trustworthiness in traditional authorities*. Surveys indicate plummeting trust in all traditional authorities, whether this be the state, science, the church or the media. If there are no trustworthy authorities in society, anxiety and insecurity grows. Social capital—and more generally social cohesion and cooperation—is based on mutual trust inside a group. This is the case whether it be the size of an elementary school class or the size of a country. As Robert Putnam has demonstrated in his book *Bowling Alone*, when mutual trust plummets, so does social cohesion and cooperation. The boom of alternative media, alternative currencies and generally the growth of movements trying to build parallel societies is just a symptom of the mutual trust crisis. Members of CEE paramilitaries generally share the feeling that current authorities are not particularly trustworthy, and that social cohesion is falling apart. This is one of the main reasons why the question of refugees is so sensitive. They believe it is only rational to create their own groups full of people that can be trusted.

And finally—the *extreme moralization of differences in opinion*. There is a large social and cultural rift across the entire West. If one follows the media with a more leftist and liberal scope like The Guardian, NYT, Respekt mag-

azine or Denník N it seems that the forces of freedom, liberty and human rights are clashing with the forces of bigotry, darkness, patriarchy and oppression. The more conservative and right-leaning sources—The Telegraph, The Atlantic, Reflex magazine or Postoj report that the powers of reason and stability stand against the forces of chaos, decadence, economic irresponsibility and dangerous utopic social engineering. And both claim the other one wants to destroy either culture or nature.

**The boom of alternative media, alternative currencies and generally the growth of movements trying to build parallel societies is just a symptom of the mutual trust crisis.**

What these media report on is differences in the perspective on what values they hold, which of those they believe are in danger, and what threatens them. This is completely legitimate—different people prioritize different values and fight over the hierarchy of values. Should we prioritize Mercy or Justice? This is a common dilemma of the justice system. Both values are considered good and valuable. The trouble starts, when some groups state that the values of other groups are not values at all and should be excluded and discarded. This is where a possibility for pragmatic debate ends.

Most members of CEE paramilitaries feel that the communal values of loyalty, patriotism, self-sacrifice, common decency or survival of a local way of life are under attack from the urban cosmopolitan elite living in a globalist culture with an individualist mindset. And this elite does not demand prioritization of their values, but outright claims that the values they hold so dear are not values at all. That they are immoral or outright evil anachronisms of a cruel and unjust past and should be abolished. And those who hold them are either bad, mad or sad, and should be retrained or restrained. The reaction is, obviously, outrage.

In my experience, this position is the the chief reason behind the growth of anti-system tendencies and growing anger and frustration in society.

### 3. Human Nature and Psychological Traits

Everyone is different. But, in some ways, every individual is also the same. We are all Homo Sapiens and thus share genetic material. This means there are certain generalizations that are plausible. Some are obvious—

in general, we have two legs, two arms and one head. But we also share mental traits that can be found cross-culturally. We call them the anthropological universals. There are several, but the one that is important for this study is *tribal mentality*. We are all tribal. We are happier, healthier and live longer if we are part of a tribe. Being part of a tribe is so deeply pleasurable, that if there is no tribe around, we create one. Sport clubs, religious organizations, professional associations, political parties—they are all outcome of our genetically inherited and neurologically wired love for tribal community.

Another fact that has emerged from the last decade of cognitive and neurological study of human behavior is that humans are not born with a blank-slate mind. Our behavior and personality are only partially influenced by our upbringing and education (some 50-70%). The rest is genetic, inherited, and formed in advance of experience. We know that character traits like optimism or pessimism, neuroticism and openness to experience are inherited. This does not mean it is unmalleable. It means, however, that everyone has certain predispositions, and everyone's inclinations can be formed, but not completely erased or empowered.

As it turns out, caution about the speed of social change is inherited. Anxiety levels are caused by insecurity as well. Both are evolutionary mechanisms that should boost our ability to identify threats, cooperate and survive. To put it simply—some people were born more cautious, which predisposes them to prefer social arrangements with lower risk levels involved. They therefore instinctively oppose anything that increases the risk—and as you can see in the zeitgeist chapter, we live in times which give the more cautious people a proper headache. CEE paramilitaries seem to consist mostly of these people.

**Some people were born more cautious, which predisposes them to prefer social arrangements with lower risk levels involved. They therefore instinctively oppose anything that increases the risk.**

Personal interviews with members revealed that the main individual motivations to join paramilitary organizations are *purpose and adventure*. Purpose is a longing to be part of something bigger than oneself. Adventure is a longing for challenges where one can overcome risky obstacles that will help one prove oneself, gain a reputation and grow in competence. Members agree

that their group is providing them with plenty of both. More research will be needed to answer if the paramilitary group was simply the only possible (or most accessible) opportunity where they could entertain their longings, or if other psychological traits are in play that make a (para)military environment more attractive than the alternatives.

## Conclusion

To sum up the reasons I found for the emergence of paramilitary groups in CEE: local circumstantial reasons are combined with the clash of values and crisis of purpose of present zeitgeist and the eternal needs of human nature. Those who happened to live near places where paramilitary groups originated, or happened to have friends there, and were temperamentally and value-wise prone to enjoy a more collective, purpose-oriented and adventurous environment often considered it beneficial to join.

This is what fits the field research data the best. I do not know yet if it will fit the quantitative data as well. I may have the answer next year, when I will finish polling several paramilitary groups and a representative amount of the Slovak male population in the largest comparative survey that has ever investigated this phenomenon.



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# David Alandete: The Kremlin Connection

ASPEN.REVIEW
JAKUB DYMEK

*INTERVIEW*
*RUSSIA*
*DISINFORMATION*
*SEPARATISM*

There's one thing in common in all the Kremlin foreign campaigns—except Ukraine, which is very singular in and of itself. They do not create problems for others, they only use the problems already present in the countries and societies they are planning to target. And make them bigger—says David Alandete in an interview with Jakub Dymek.

**JAKUB DYMEK: Earlier this year you wrote a book about fake news and disinformation strategies, so it's an obvious question to ask: do you think the problem has grown worse and demands even more attention now than before?**

**DAVID ALANDETE:** Yes, I believe the year 2016, when the Brexit vote took place and Donald Trump won the presidency in the US, was just the beginning, to be honest. But the Russian disinformation campaign began, as you well know, in 2014 in Ukraine and since then the propaganda machine has become more powerful and even better oiled. Now the information warfare works on two fronts simultaneously: one being the 'classical' means of propaganda—with outlets like RT, formerly Russia Today, and Sputnik as the main avenues—and algorithmic manipulation including bots, troll farms, etc... The first part is done almost entirely by the hands of the Russian state: RT and Sputnik being paid by the Kremlin. The other part, the hackers, the bots, the infamous Internet Research Agency based in St. Petersburg—not always. There are people, oligarchs and Putin confidantes who are keen on supporting such ventures themselves. The problem has grown bigger: it's expanding into the Spanish-speaking world and beyond Venezuela and Cuba,

where disinformation was rampant earlier. A prime example of how it is seen as a problem now is the fact of new governments in Ecuador or Bolivia trying to shut down RT and Sputnik...

**Are you saying that the Spanish-speaking world was somehow oblivious to the problem of this kind of propaganda and information warfare?**

I thought about this, I thought about it for a long time. Spain was the first country attacked by this, during the Catalan independence crisis of 2017. Naturally, Spain usually leads the way for Latin American countries, acting as the early adopter—but in this case Spain was inefficient and slow when it came to fighting disinformation. The lack of initiative had made Latin American countries more vulnerable and now they're learning the hard way.

During one of the anniversary meetings for NATO recently, here in Washington, there was this conference—and the US takes this problem very seriously, as you know, they've made RT and Sputnik register as foreign agents...

**Basically what Kremlin demanded of many Western organizations previously...**

...and Mike Pompeo in a closed meeting wanted to talk specifically about Latin America and Russian meddling there. And Josep Borrell, Spanish Minister of Foreign Affairs, refused to do so, claiming that this was supposed to be some chat about the problems of the world, but a NATO meeting, and not engaging in that conversation... And let me remind you, that Borrell is the man who is going to head foreign relations—as the High Representative—for the entire EU. And this is somebody who signed an agreement with Russia, with Sergey Lavrov, to fight disinformation! Incredible, when you think about it, because Russia itself is the biggest producer of disinformation.

**Borrell is the man who is going to head foreign relations—as the High Representative—for the entire EU. And who signed an agreement with Russia, with Sergey Lavrov, to fight disinformation.**

**Traditionally however, at least from our Central European perspective, it is regarded as common sense that there's a great deal of anti-Americanism in Latin America... So one would think that the bigger receptiveness towards the Russian agenda is not all that surprising. Or is that an oversimplified view?**

It is an oversimplification... Radical governments from the left often aren't that radical when in power. The real problem is not that the left is cozying up to Russia, but the authoritarian and dictatorial nature of

the regimes in Venezuela and Cuba. Yes, anti-Americanism is a thing of the left in Latin America and Spain, on the left, but the transatlantic link and ties to the United States prevail over the sentiment in some segments of the population of Spanish-speaking countries.

**Europe faces two primary threats today: radicalism and separatism. The latter is stronger than you would think. Kremlin remembers how big of a danger separatism in Europe was in the past.**

That being said, of course anti-americanism and hostility towards the West is one of the basic tenets of Russia's propaganda. It is not that they do not like America, it is that America is presented as the root of all evil that is occurring in the world today. And myself, as somebody who has written a lot about RT and Sputnik, I was also smeared and attacked by them. And what was their chief insult? That somebody who disagrees with the Russian narrative and their propagandistic goals must be paid by the Americans and is surely, if not a CIA asset, somebody on the American payroll.

**Coming back to your native Spain, you've written a lot about what is perceived to be Russian involvement in the Catalan referendum...**

You know what's really interesting about this is that in Russia, separatism is punishable by prison and is regarded as a very serious crime, but where Russia welcomes separatism warmly is in other countries...

**So you're saying that what Russia doesn't want at home it tries to foster outside its own borders?**

Europe faces two primary threats today: radicalism (in the form of both far-right and far-left parties) and separatism. The latter is stronger than you would think. Kremlin remembers how big of a danger separatism in Europe was in the past: look not only at the Catalan question but the Basque country or Corsica in the not so distant past...

**How did you first come up with the idea that foreign bodies might support Catalan independence in Spain?**

When I worked for my previous paper, "El Pais" in Spain, we used data tools to monitor what stories were getting the most traction on-line. Surprisingly for us, it oftentimes turned out it wasn't even Spanish papers or Spanish sources that were mostly shared and commented on when it came to the Catalan referendum—RT and Sputnik were more successful in terms of readership, likes and shares on social platforms than we were. And I'm talking about the largest newspaper in Spain and in the Spanish-speaking world in general! Our researchers helped us discover that and we quickly noticed the outrageous, false, anti-

journalistic headlines that were making these pieces of content go viral. Like "why is NATO bombing Madrid" or "How many countries will recognize Catalan independence?"

Many of the supposed links were revealed just recently, in late 2019, when two judges in courts in Spain, in Madrid and in Barcelona, independently revealed that two Russian spies connected to the Skripal poisoning in the UK were present in Spain during the time of the referendum and in turn Catalan separatists visited Moscow to offer recognition that Crimea was Russian. And you know what the first fake-news story about Catalan independence was? That—it was pushed by Sputnik in 2016—"the independent Catalan government will recognize that Crimea is Russia".

**What was the reaction to your stories initially? Both in Spain and internationally.**

From the Catalan independence movement, furious, from Russia furious, furious all over. And for me it was proof that I was right. From threats, intimidation, mentioning my family, it seems all the obvious stuff, but the intensity of this was awful. It is said, when you don't have any arguments to defend yourself against a claim, you don't attack the claim, but the source. It happened here—not attacking my paper or my employers, but me personally. It is only in authoritarian regimes that the politicians attack the journalist personally when they don't like what they write about them—with Trump that has changed, but this is how it was, always—and this is how Russia does it.

**However, many democratic pundits and politicians in the US, where you live now, are compounding all the mistakes and failures of the party since 2016 and Hillary Clinton's ultimately doomed campaign into onebig 'Russia intrigue'—is it really that simple? Do you consider this a problem, when genuine concerns about disinformation and information warfare are important only insofar as they help explain why the democratic, centrist parties and politicians lost so many important races in recent years?**

I disagree. It's true that the Robert Mueller investigation didn't find enough evidence to prove Donald Trump had colluded, but at the same time, Robert Mueller's investigation produced arguably the most damning evidence against Russia that was ever published! Also, it has indicted about thirty Russian nationals in connection to not one, but two, disinformation campaigns. So there's a consensus in Washington that there were Russians meddling in American elections.

As to the politicization of the concept... I also disagree. I think when Trump leaves office, everybody in Washington, even

his own party, will agree that Russia had a lot to do with Trump's election. It's a fact. They don't do it now, but they will. Because, come on, who traditionally was the most critical of Russia and it's meddling? It was the Republicans! Previously it was the Democrats, under Obama and Clinton, who wanted a 'reset' with Russia. I don't think—I repeat, I do not think Republicans are lenient towards Putin, it is Trump who is not towing the party line. Trump's good relationship with Putin is the problem here.

**But, even not disputing any of the facts conveyed in the Mueller report, one can argue that the Democrats overplayed their card, saying Trump himself is a Russian asset? This certainly backfired.**

There's one thing in common in all the Kremlin foreign campaigns—except Ukraine, which is very singular in itself. They do not create problems for others, they only use the problems already present in the countries and societies they are planning to target. And make them bigger. Hillary wasn't a great candidate, she had her problems, and the Russians decided to give Trump a hand, help him a little, and so they did. I agree with you in that Democrats had many problems and they didn't deal with them as they should have. And it is convenient for them to put the blame on Russia. But it doesn't mean Russian meddling didn't happen.

**I need to ask you about the co-conspirators on this issue, big tech companies, social media platforms like Facebook and YouTube who are the biggest disseminators of this propaganda and arguably the culprits in the destruction of our common public discourse in the West?**

They walk a thin line. I think they are aware of these accusations and they take the problem seriously. I love what Twitter is doing with removing the political ads and not allowing them on the platform. Facebook is a different story, Facebook is slower when it comes to this issue... But look at the big picture: the issue is huge, it's basically the same old free speech versus regulation debate. And even the EU has not taken a clear stance on the issue yet, there are different approaches to regulation of information and media.

**But you do see the irony in the fact that Russia Today or Sputnik, who you mention as hostile actors here, wouldn't have a single-digit-percent of their reach if it wasn't for American companies like Facebook and Twitter and YouTube?**

It is not only about the irony of that... this is their core strategy. They take the western, democratic, free institutions of the West and turn them against democracy and liberalism! And it's not only the media we're talking about: it's the parties as well

that are being used to that end, social movements and protests.
But let's be honest about it, too. Social media platforms are very slow when it comes to combating disinformation, but they are taking measures. RT and Sputnik are not as prominent as they once were. Steps are being taken.

**But is it some form of an arms race then? Like when democracies catch-up, and the platforms catch-up, the new means of propaganda are being introduced and the whole cat and mouse game is replayed from the start?**

Look, this is true to some extent, but let's look beyond Russia for now, ok? Because it is not only Russia who is doing it.

**Of course it isn't.**

And in America there's these alt-right figures like Mike Cernovich and Jack Posobiec...

**...he's half-Polish actually!**

...who are extremely pro-Trump bloggers and Internet personas, who lobby the public and the Congress not to put in place any regulations that would harm them as citizens and journalists, and by these means not harm any foreign hostile bodies as well. And they act in their own self-interest, as is their right, but by this they're helping to stave off this reform process which could eventually curb the spread of disinformation.

**Let's be honest: Social media platforms are very slow when it comes to combating disinformation, but they are taking measures. RT and Sputnik are not as prominent as they once were.**

**In light of that, are you optimistic about the future of the legacy of (traditional) media?**

It's more complicated than that: media is more than tradition, work, integrity and a business model combined. But in the most simplistic of terms: media are not going to disappear, they're going to be more important than ever. But they're going through a difficult, destructive process of transformation, which is going to take time.

**DAVID ALANDETE**
is a United States Correspondent of the Spanish newspaper ABC. Previously he was the Managing Editor at Spain's leading daily *El País* and a correspondent for the newspaper in the Middle East and the United States. In 2017, Alandete assembled and led an investigative team that covered the Russian meddling campaign in the Catalan independence crisis and the Italian elections, among other governance crises. He currently researches and monitors the spread of disinformation targeted at Latin America and the Hispanic population in the United States. His most recent book is "Fake news: la nueva arma de destrucción masiva: Cómo se utilizan las noticias falsas y los hechos alternativos para desestabilizar la democracia (Spanish Edition)", 2019. | Photo: Alejandro Ruesga

# It's Time For Us To Reclaim Our Visegrad!

It was the summer of 1989. The last summer under the totalitarian regime. By then, following twenty years of stifling 'normalization', the first whiffs of fresh air were beginning to be felt even in the Czech basin, cut off as it was from the rest of the world by a range of mountains that may not be the tallest but are mountains nevertheless. There was nothing normal about the 'normalization' that had arrived with the barrels of occupying tanks. And the fresh air was wafting in from the neighboring countries.

**Luboš Palata**

During that summer I would prick up my ears every time Poland and Hungary, and later also East Germany, were mentioned on Voice of America and Radio Free Europe, the latter no longer jammed. In Poland and Hungary, communist rulers sat down at round tables with members of the Polish and Hungarian opposition to negotiate the handing over of power. All this seemed unbelievable to us in Czechoslovakia. We had to pinch ourselves to make sure that it was really happening: the partially free Polish election that gave Poland the first non-communist Prime Minister Tadeusz Mazowiecki; Hungary's Minister of Foreign Affairs Gyula Horn cutting the barbed wire on the border with Austria; German Democratic Republic citizens fleeing to West Germany via Lake Balaton and the Austrian border, and via West German embassies in Prague and Warsaw. And then the fall of the Wall. The Berlin Wall.

Meanwhile in Czechoslovakia change seemed to be slow in coming. People took heart and drew hope and faith from following the events in Warsaw, Budapest, Leipzig and East Berlin. But after November 17, change came at a dizzying pace. People used to say that what had taken ten years in Poland and ten months in Hungary happened in Czechoslovakia in ten days. And although this may be somewhat simplified, it was not far from reality.

One reason why all this was possible was that we were aware of each other. What made it possible was Polish-Czech Solidarity, a series of encounters between Czech and Polish dissidents on tracks around Sněžka mountain on the border between the two countries. This enabled the leaders of the Czech Velvet Revolution to learn from the mistakes and slip-ups as well as the achievements of Poland's Solidarity. Similarly, they were aware of the obstacles faced by the Hungarian opposition during round-table discussions. And we all saw the momentous events unfold in what was, by then, a slowly disintegrating German Democratic Republic.

Even though we weren't actually holding hands with the Poles, Hungarians and East Germans, we did, in fact, overthrow communism together. And, subsequently, we strove jointly for the speediest possible withdrawal of Soviet troops and embarked jointly on the path of joining NATO and, later, the European Union.

This sense of togetherness, born in 1989, the 'annus mirabilis' (admittedly, it had been present among the Poles and Hungarians for far longer) laid the foundations for the Visegrad Three and later, after Czechoslovakia split up, the Visegrad Four.

The solidarity of Visegrad was almost killed off by Czech Prime Minister Václav Klaus and his Slovak counterpart, the authoritarian Vladimír Mečiar. But solidarity returned to Central Europe after the fall of Mečiar and Klaus. And once Slovakia found its way back to democracy, Visegrad was able to ensure that it was included in the first wave of EU enlargement and the second of NATO.

## Hundreds of Thousands of Democrats in the Visegrad Four's Streets

We are now at the end of 2019. Thirty years after the 'annus mirabilis', Central Europe is experiencing its 'annus horribilis'. Viktor Orbán and Jarosław Kaczyński, the authoritarian rulers of Hungary and Poland, have consolidated their power by applying the twisted rules of 'sovereign democracy'

and 'rule of lawlessness'. The pro-Putin Czech President Miloš Zeman has been testing the limits of constitutional order while Prime Minister Andrej Babiš, a billionaire and media mogul, has tested the resilience of Czech rule of law, the venality of journalists and the corruptibility of various parts of the electorate.

These days the only place where some golden rays of democracy still shine is Slovakia, the country that had been dubbed the 'black hole of Europe' under Mečiar. They are as golden as the hair of the new, openly democratic, humane and pro-western President Zuzana Čaputová. But this hope came at the price of the assassination of the young journalist Ján Kuciak and his fiancée Martina Kušnírová...

It is 2019 and in Poland and Hungary the dismantling of the rule of law and of almost every pillar of democracy continues apace. Something similar may also happen in the Czech Republic. On the anniversary of the Velvet Revolution, 300,000 people rallied in Prague's Letná park, the scene of landmark demonstrations thirty years ago. They went out into the streets to call for democracy and rule of law. But no one spoke of solidarity with Warsaw or Budapest. No one mentioned the fact that hundreds of thousands of people in the other two capitals took part in rallies with demands similar to the Czech protesters' or those demonstrating in Slovakia last year. It is as if those of us here in Central Europe who have not yet given up on democracy, freedom and the rule of law were not aware, or didn't want to be, aware of one another. It is as if we had forgotten that without solidarity we will all lose, one after the other.

**The solidarity of Visegrad was almost killed off by Czech Prime Minister Václav Klaus and his Slovak counterpart, the authoritarian Vladimír Mečiar.**

### Together against the organized crime group currently on top

Those bent on destroying our free world meet, hug and share advice regularly, having formed a mutual admiration society. The current powers-that-be have transformed Visegrad into what crime investigators call 'organized crime group'.

To mark the anniversary of 17 November 1989, the Czech President held a gathering of Visegrad leaders behind the walls of the National Museum, walls so thick that they didn't let through the jeering of the pro-de-

mocracy crowds outside while Hungary's Prime Minister, 'the Godfather' Viktor Orbán, gave a speech outlining his agenda for Central Europe. Orbán proclaimed that Central Europe, under its current leadership, has the right to treat democracy and rule of law as it sees fit. As he, Orbán, sees fit, regardless of the principles of rule of law or the principles of the European Union. He added the sinister warning that is not Central Europe that needs to fit in with the West, but the other way around.

But there still is another Visegrad, quite different from Orbán's. It is a Visegrad of people who carry banners calling for freedom and democracy, people who are not indifferent to the fact that we have lost nearly all that our defiance in 1989 had achieved. These people do not organize summits, they have no ostentatious palaces. And yet, they ought to be able to get together and show each other solidarity, support one other, draw strength from one another, and share the odd experience of small victories that do occur every now and then. Some individuals have started to show the way: Zdeněk Hřib, Gergely Karácsony and Rafał Trzaskowski, the mayors of three Visegrad capitals, Prague, Budapest and Warsaw, met during the celebrations of the fall of the Berlin Wall. The cities they run have remained bastions of pro-democracy forces in their respective countries, bastions that—in the case of Budapest—have recently been reconquered. This is a wonderful and promising start and it is to be hoped that they will soon be joined by Bratislava where, in many respects, the greatest strides towards a successful salvaging of democracy have been taken.

However, the only way Central Europe can win this battle and give back the tarnished image of Visegrad its original meaning is by doing it jointly. By inspiring hope and strength in one another, by showing solidarity. If we don't do that, we are condemned to lose the battle, one after the other; the battle for a free, democratic and European future of our Central Europe. It is time to join forces to achieve this and reclaim our freedom. To reclaim a genuine Visegrad—a Visegrad that is free and democratic.

**LUBOŠ PALATA**
is the Europe editor of the Czech daily Deník. He was reporter and commentator at the daily MF DNES the deputy editor in chief of the Slovak daily Pravda. He studied International Relationships and Political Science at Charles University.

# Jeffrey Gedmin: Less World, More America

ASPEN.REVIEW
TOMÁŠ KLVAŇA

*POLITICS*
*TRUMP*
*PUTIN*
*NATO*

Americans seem to exhibit signs of tiredness or fatigue, a notion that we have done so much and others have done relatively little. If Europe shows some strategic maturity by identifying priorities and allocating resources to them, you as a continent would help yourself and also the transatlantic ties—says Jeffrey Gedmin in an interview with Tomáš Klvaňa

**TOMÁŠ KLVAŇA: How would you describe the current state of European-American relations?**

**JEFFREY GEDMIN:** We need to consider several aspects. There are things that are structural and have been happening continuously as Europe has become less dependent in some ways on the United States since the end of the Cold War 30 years ago. I think that the trend of American retrenchment began under President Barack Obama. Europeans liked him. He was eloquent, elegant and cerebral. But remember that he was also the author of outsourcing Ukraine to the European Union, leading from behind on Libya and pivoting to Asia. Now we have the continuation of Obama retrenchment but in a more radical, more vulgar and more extreme form. So those who think this began with Donald Trump are shortsighted and don't see the wider picture. But Trump is a problem in my view. Whatever has been happening, he is the foot on the accelerator, the pedal in the car, and he is not a stable driver. He is impetuous. He is not always responsible, and sometimes he is even

reckless. Now we have a car that was going down a troublesome route already, but we have a driver at the wheel who is not entirely responsible in my view.

**President Trump is an America first nationalist. He is not focused on alliances as a way of realizing American goals. He has an extremely narrow short-term definition of American interests.**

**This can be partially ascribed to the fact that Europe is becoming more independent, prosperous, stable and simply more of a player on the international stage. What is your view, however, of the general attitude of Americans towards getting into any kind of engagement in Europe? Aren't Americans much less interested in Europe than they were 30 years ago?**

There is a kernel of truth to that. Americans seem to exhibit signs of tiredness or fatigue, a notion that we have done so much and others have done relatively little. To put it in context, Iraq was a major debacle at one point. Afghanistan? Lots of Americans say that the sacrifice was clear but the result is less clear. Part of the American public—not all, but a significant part—feels fatigue in international engagement defined by different things. It is also true that Americans have always responded to leadership, and we don't have that leadership right now. We do not have much in the way of political leaders making a case for responsible political engagement in American interests. Some are reluctant to call President Trump an isolationist, but he is an America first nationalist. He is not focused on alliances as a way of realizing American goals. He has an extremely narrow short-term definition of American interests. On the Democratic side, let's see who the candidate is for the 2020 presidential election. We do not know it yet, but the Democrats are mostly producing people who are inclined to protectionism and will possibly practice their own version of America First. Perhaps less vulgar and less mean spirited for sure, but I don't know that we will revert to where we were 15 or 20 years ago. There is more looking inward. It can be partially reversed. Leadership can speak to the American people, it can explain individual difficult cases worth our attention and bring people out, but the trend is clear: less world and more America.

**You've spent a number of years in Europe. What should Europeans do these days to have as good a relationship with the White House as is reasonably possible?**

You are in a difficult situation because President Trump is a difficult president. And he was not my candidate. Here would be my advice to European friends.

Number one, stay calm and stay steady. His rhetoric is inflammatory and provocative; it's important, I take it from you, but stay calm and steady. Number two, it is true that Europe needs to do more for its defense. Be calm and deliberative, but begin working on your capabilities. It is not a one-year project, it is not a three-year project, but Europe in the next five to ten to fifteen years—in the context of a robust NATO—needs to do more for its own defense. And number three, Europe needs to define its own strategic priorities with China, Russia and Iran. It must engage and help with the vibrancy of democracies across Central and Eastern Europe. If you demonstrate strategic maturity by identifying priorities and allocating resources to them, you as a continent will not only help yourself, but also the transatlantic ties.

**The challenge is that we don't unlearn history. We have a generation in its late twenties that did experience communism and it is the responsibility of us who remember to appreciate our historical lessons.**

**It has been 30 years since Central Europe regained its independence and started on the road to democracy. And it is not in the best shape as far as democracy and rule of law are concerned. As the U.S. has played such an outsized role in Central Europe's liberation, do you think that the special relationship between our respective countries has a future, or will it be more and more subsumed under the overall E.U.-U.S. relationship?**

The two aspects can be true at the same time. We have to have a vital, rich and healthy relationship with the E.U., but the E.U. is made up of constituent states, each one with its own distinct character and personality. It is fair to say that Americans have a special place in their heart for those countries that struggled and fought communism for decades and won their freedom. It's 30 years since the fall of the Berlin Wall and the Velvet Revolution and history and memory matter. The challenge is that we don't unlearn history. We have a generation in its late twenties that did experience communism and it is the responsibility of us who remember to appreciate our historical lessons.

**There are strains on NATO, especially in the context of Turkey, Syria and Trump. The organization seems to be in a kind of limbo.**

NATO has gone through different versions over the years. You remember when it was unofficially stated that it was there to keep the Russians out, the Americans in and the Germans down. That has changed as Germany has

become a healthy, stable and responsible democracy. And as you mentioned President Trump, his attitude, his rhetoric is not helpful, in my view. You'd almost think that based on his pronouncements, NATO is there to get the Americans out, the Russians in and keep the European Union down. He seems to have a special fondness for Vladimir Putin. He doesn't care much about American leadership and doesn't have a great respect for the European Union, does he? I don't think he's helpful, I don't think he has a vision and he clearly doesn't understand the importance of the Alliance.

Having said that, there are a number of things we can be talking about in the NATO context that would be contemporary, relevant and enormously helpful. One is China, and the other is artificial intelligence. We are stumbling into a world where issues will challenge us across the Atlantic space, but there is an opportunity to tackle them together. Let's also mention Russia. It is not the Soviet Union, it is not a rising power like China, but whatever condition the country is in, Vladimir Putin as a leader has become skilled at looking at our self-inflicted wounds and taking advantage of them to sow division. Perhaps he's not the cause of our problems but he made it harder for us to fix them. As far as NATO is concerned, there are a number of ways to breathe new life into this organization.

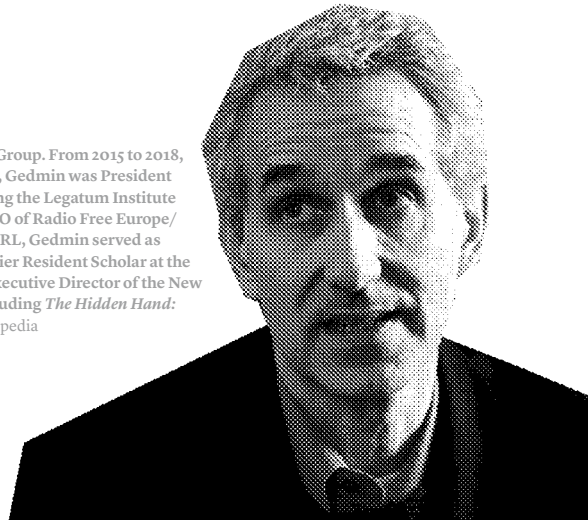
**It is not the Soviet Union, it is not a rising power like China, but whatever condition the country is in, Vladimir Putin as a leader has become skilled at looking at our self-inflicted wounds and taking advantage of them.**

**Do you envision that in the near future we will be coordinating our relationships with China more tightly, which could bring America and Europe closer again?**

There is an immense opportunity because China poses a challenge in trade, security and we still care about democracy and human rights in China and on China's periphery in Taiwan, Hong Kong, Tibet and Mongolia. China for its own commercial purpose depends on European and North American markets, which is a long way of saying that if we could communicate, if we could deepen the strategic dialogue, and if we could find ways to work closely together, we would have a considerably higher leverage with China on all these matters than if we were split. It is an immense challenge and opportunity that needs leadership from both sides. We have differences, we compete with each other but in this strategic arena if we stick together we could achieve much, much more. I am hopeful that people will see that. If we allow China this open field, we would be at a disadvantage.

**Speaking of Russia, it is not quite clear what the U.S. policy towards Russia actually is. Is it what President Trump says, or what the State Department and Pentagon do?**

There clearly is confusion. The President of the United States, our Commander-in-Chief, is erratic, impulsive, undisciplined and in my view friendly with a couple of dictators. We can only speculate as to why. Within the American foreign policy establishment, however, the Pentagon, the State Department, the White House—meaning the National Security Council –, there the center of gravity is skeptical of Russia and in solidarity with our democratic NATO allies in Central and Eastern Europe, especially Poland and the Baltic countries. So if you are getting a mixed picture, that's because we are sending a mixed picture and it is confusing because the President seems to be in one place, he is impulsive, erratic and undisciplined, and his foreign policy establishment by and large is NATOcentric, pro-Central and Eastern European and skeptical of, if not antagonistic to, Vladimir Putin's goals. Let's see how this works itself out. Let's see who wins the elections of 2020. The picture is complicated, unclear and often contradictory.



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*POLITICS*
*RUSSIA*
*PROTESTS*
*POLICE VIOLENCE*

# Moscow Protests and their Consequences

The ruling class has taken advantage of the crisis to increase its control over society. The Kremlin has begun a new phase in the privatization of Russia, which could result in the complete liquidation of civil society.

The protests in the Russian capital in the summer of 2019 surprised not only the authorities, but also the opposition and independent candidates aspiring to run for the Moscow City Duma elections. Since the times of mayor Yuri Luzhkov, the Moscow Duma has been considered one of the weakest regional assemblies in Russia. Its powers are limited, and the executive power is concentrated in the hands of the mayor. Local governments cannot make any independent decisions. It is the town hall that decides what happens in the districts.

Social activists not affiliated with any parties declared, however, their willingness to participate in the elections. With the help of Alexei Navalny's team, the district councilors created a joint system of collecting signatures necessary to register candidates without the support of political parties. Contrary to the expectations of the authorities, the oppositionists managed to agree on who was running in which constituency and collect the required number of signatures. As a result, the authorities had to rig the registration process in order to remove the names of the independent candidates.

**In Russia, a hierarchical and centralized state, activism generally starts in the capital and moves from there to the regions. This time it was different.**

The violation of the electoral law was so blatant that it triggered massive protests. The social base of the narrow circle of activists began to grow rapidly, and the protest was joined by representatives of various social groups—not only young people, but also visitors from other cities, as the Moscow authorities claimed. According to the available data,[1] the protests were attended by representatives of various age groups, and their age distribution was approximately the same as in 2011. What had changed was the significant increase in the number of women taking part in the protests. This confirms the claim that Russian women are increasingly active in politics, also in the face of the attempts to restrict their rights.

### The Regional Aspect

An important factor in the summer protests in Moscow was their regional aspect. In Russia, a hierarchical and centralized state, activism generally starts in the capital and moves from there to the regions. This time it was different.

Mass dissatisfaction spilled out onto the streets in the regions as early as the beginning of 2019. Yekaterinburg became the first hotbed, where people protested against plans to build St. Catherine's Church in the city center, replacing a square in front of the Drama Theater. The second issue was the Shies settlement in the Archangelsk region, where the local population and ecologists opposed the creation of a landfill site, where waste from Moscow was to be disposed of.

In Moscow, the first mass protests were not connected with politics and elections, but took place in defense of the journalist Ivan Golunov, against whom a criminal case was fabricated. People also protested against the arbitrary actions of the police. To prevent the protests from spreading, the authorities gave way under pressure from the demonstrators. It was precisely the regional protests and the campaign to defend Golunov that prepared public opinion in the capital city to protest against electoral fraud and police violence.

**The precedent of working together to collect signatures, in defense of illegally convicted persons, now allows them to jointly prepare for the 2021 elections and try to defend individual civil society institutions.**

After the police and officers of the National Guard (special operations units) began to brutally attack participants of peaceful demonstrations and rallies, appeals began to be heard even inside the ruling class not to escalate the violence. Sergei Chemezov, an influential friend of Vladimir Putin from the KGB and head of the state corporation Rostechnologie, as well as Alexei Kudrin, the previously silent head of the state Audit Office, former finance minister and an old acquaintance of Vladimir Putin, cautiously spoke against the pacification of protests. They may have been concerned about the excessive strengthening of security forces.

### The Consolidation of Opposition Groups

In response, the authorities shifted to a tactic of selective persecution of protesters and stepped up the fight against political opponents—pressure on civil society and the opposition increased significantly. The State Duma made an application to the executive for Deutsche Welle, as well as the Russian television station Dozhd' (Rain) and the Russian-language website Medusa registered in Latvia, to be classified as 'foreign agents'. The Czech NGO Člověk v tísni was declared an undesirable organization. The authorities also began to liquidate disloyal non-commercial organizations—the Movement for Human Rights headed by Lev Ponomaryov was the first victim. A criminal case was launched, initiated against the Anti-Corruption Foundation of the opposition activist Alexei Navalny; its offices were searched and activists detained throughout the country.

In November 2019, the State Duma adopted four new laws. Firstly, multi-million-dollar fines were introduced for refusal of communicator operators such as Whatsapp or Telegram to transfer encryption keys to users' correspondence. Fines were also imposed for refusing to transfer user data to Russia. The second act obliges all sellers to install 'Russian cybersecurity software' on their phones, certified by the Federal Security Service. The third blow was inflicted on lawyers, who in Russia are increasingly being denied the right to practice their profession. Amendments to the Media Act were also adopted, such as extending the term 'foreign agent' to individual persons. The media registered as foreign agents are obliged to establish (within one month) a separate legal entity in Russia, which will be responsible for their publications (even in the case of foreign media).

The 2019 protests also contributed, however, to the consolidation of activist and opposition groups. The precedent of working together to collect signatures, in defense of illegally convicted persons, now allows them to jointly prepare for the 2021 elections and try to defend individual civil society institutions. The scope for action is getting increasingly tighter. It is expected that in 2020 the authorities will make changes to electoral legislation to prevent the opposition from registering candidates. It is possible that before the 2021 elections these groups will be divided once again. The Kremlin may allow, for example, the political and social activities of moderate opposition or NGOs receiving presidential grants from Vladimir Putin's Administration to continue, while others may be harassed with criminal prosecutions and thus forced to cease their activities.

The future course of action of the Russian authorities and opposition depends on whether the potential of the protest will increase or decrease. Over the last few years, protest activity has been growing in proportion to the decline of the standard of living. For the time being, forecasts indicate that this trend is continuing.

1) www.vedomosti.ru/opinion/articles/2019/09/30/812372-kak-izmenilsya-protest, Ведомости, 30 September 2019, Алексей Захаров, Александра Архипова

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MYKOLA RIABCHUK

*POLITICS*
*UKRAINE*
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# привіт

# The City and the Myth: Making Sense of the Lviv 'Nationalist' Image

Lviv, with its population of about 750,000 people, is only the seventh largest city in Ukraine. In the western part of the country, however, it is the largest one, at least three times bigger than any other city in the region. This endows Lviv informally with a certain metropolitan status—as the cultural, educational and, to a certain degree, economic and political center of "Western Ukraine".

On 4 April, shortly after the first round of Ukraine's presidential elections, the Vice News website found a peculiar way to celebrate that event by attaching a photograph of camouflaged youngsters to the very title of a report that read: "White Nationalists from around the World Are Meeting in Finland". There was no reference to Ukraine in the article but the text for the photograph fixed the omission. It implied that the most exemplary "white nationalists from around the world" would in all probability be "[m]embers of the right-wing National Corps [who] are marching toward the election campaign rally of Petro Poroshenko, President of Ukraine and candidate for the 2019 elections, in Lviv, Ukraine, Thursday, 28 March 2019".[1]

It is not the featuring of a Ukrainian far-right group that makes the material so peculiar (although this kind of coverage is highly inflated in the international media and too often follows the Kremlin template). The key-words in the text are "Poroshenko" and "Lviv",—both of them tightly connected, according to the same template, to the notion of "Ukrainian nationalism",—whatever it means and however the usage is justified. The only problem in this case was that the camouflaged people in the photograph were not marching to the Poroshenko rally to support him, as the text implied, but to obstruct and disrupt it. This was a systemic campaign carried out not only in Lviv,[2] but also in Vinnytsia,[3] Ivano-Frankivsk,[4] Cherkasy,[5] Chernihiv,[6] Poltava,[7] Zhytomyr[8] and all around the country.[9]

**In all other regions beyond the west, any use of Ukrainian in public was stigmatized as a sign of rural backwardness or, worse, a defiant manifestation of "Ukrainian bourgeois nationalism".**

There was a great deal of information on this, also in English,[10] so that any responsible author or editor could easily verify it and discover the real role of the far right in Poroshenko's campaign. Vice News failed to do this—despite definitely not belonging to the Kremlin pool of propagandistic outlets. They simply internalized a common wisdom disseminated by Moscow, and this for so long and so intensively that it has been established, becoming a kind of proven fact, "scientific knowledge", something that should not even be questioned or analyzed. It is enough to know that "Lviv", "Poroshenko" and "the far right" match perfectly. It is "normal", "well-known", "indisputable". Everybody knows it.

The case illustrates the problem of unbiased, "Moscow-free", coverage of Ukraine's developments—too broad and complex to be covered here. It also sheds light, however, on a number of lesser issues, one of which I would like to specifically address: the inadequate understanding of Lviv and the region which are often unduly caricatured and sometimes—also unfairly—embellished and lionized.

### A "Hotbed" of Nationalism

Lviv, with its population of about 750,000 people, is only the seventh largest city in Ukraine. In the western part of the country, however, it is the larg-

est one, at least three times bigger than any other city in the region. This endows Lviv informally with a certain metropolitan status—as the cultural, educational and, to a certain degree, economic and political center of seven oblasts, loosely subsumed under the rubric "Western Ukraine". In fact, Western Ukraine consists of four very different historical regions (Halychyna/Galicia, Volyn, Bukovyna, and Transcarpatia),—quite distinct and, in some points, not particularly supportive of one other. The main common feature that unites them, apart from the location, is their history, in particular their relatively late—only during WWII—incorporation into the Soviet Union. This made them much less exposed to the crude Soviet policies of industrialization, collectivization, and Russification, although they were not fully exempt from that kind of social engineering.

The net result of these (and some other) historical developments was a lower level of Russification/ Sovietization, a lower loyalty to the regime and a more critical stance on the part of the inhabitants toward the official ideology and propagandistic clichés. They simply did not internalize the "Sovietness" to a degree achieved further east, and were more similar in this regard to inhabitants of Poland, Hungary, Czechoslovakia or the Baltic states. The most conspicuous feature, however, that made Western Ukraine strikingly different from the rest of the country and, more generally, from Soviet "normalcy" in the eyes of any visitor from the east, was the predominance or at least free use of Ukrainian in the urban environment.

In all other regions beyond the west, any use of Ukrainian in public was stigmatized as a sign of rural backwardness or, worse, a defiant manifestation of "Ukrainian bourgeois nationalism". Western Ukrainian cities embodied the latter, in popular beliefs, legends and anecdotes, but also in all kinds of Soviet propaganda. The guerrilla resistance to the Soviets after WWII only strengthened the staunchly "nationalistic" image of the Western Ukrainian region, with the city of Lviv placed naturally at the very center of that myth.

The Russo-Ukrainian war and the ensuing civic mobilization have substantially changed the notion of "nationalism" in Ukraine. Back in 2005, only 27% of respondents in a nationwide poll saw it as an ideology that "aims primarily at the transformation of Ukraine into a strong state, with a high international reputation and decent level of citizen's well-being". As many as 41% assessed it negatively—as an ideology, that "splits

1) news.vice.com/en_us/article/qvy7vx/heavyweights-from-the-white-nationalist-world-will-be-bonding-in-finland-this-weekend-heres-what-they-want

2) westnews.info/news/U-Lvovi-Nacionalnij-Korpus-gotuyetsya-jti-do-Poroshenka.html

3) gordonua.com/ukr/news/politics/u-vinnitsi-vidbulisja-zitknennja-politsiji-z-natsionalnimi-druzhinami-842447.html

4) gordonua.com/ukr/news/localnews/pered-zustrichchju-poroshenka-z-zhiteljami-ivano-frankivska-vidbulisja-sutichki-z-uchastju-natskorpusa-i-natsdruzhin-u-politsiji-povidomili-shcho-postrazhdalih-nemaje-822218.html

5) glavcom.ua/news/nacionalisti-z-nackorpusu-zyavilisya-na-mitingu-poroshenka-u-cherkasah-575854.html

6) gordonua.com/ukr/news/politics/de-vidrubani-ruki-natskorpus-vlashtuvav-aktsiju-pid-chas-vizitu-poroshenka-v-chernigiv-807361.html

7) zik.ua/news/2019/03/16/pid_chas_peredvyborchogo_mityngu_poroshenka_v_poltavi_natsdruzhyny_vlashtuvaly_1530665

8) hromadske.radio/news/2019/03/11/predstavnyky-nackorpusu-pryyshly-na-vystup-poroshenka-u-zhytomyri

9) gordonua.com/ukr/news/politics/biletskij-na-mitingi-poroshenko-mi-prihodimo-zapitati-u-nogo-shcho-z-svinarchukami-shcho-zi-skotami-jaki-v-normalnij-krajini-sili-b-dovichno-8478-48.html

10) www.Kievpost.com/multimedia/photo/national-corps-rally-demand-arrest-of-alleged-corruption-suspects-photos

11) razumkov.org.ua/uploads/journal/ukr/NSD161-162_2016_ukr.pdf

society into ethnic Ukrainians and 'non-Ukrainians' and strives to restrict the rights of the latter group". (14% defined nationalism neutrally, as a peculiar historical phenomenon that used to exist in Western Ukraine in the 1940s-1950s but which was passé today; 18% declined to respond). In 2015, the same pollsters[11] found the opposite attitudes: 47% defined nationalism positively, as a useful transformative force, and only 24% held the earlier negative view. Remarkably, a positive view of "nationalism" prevailed, albeit minimally, even in Ukraine's East (38.4 vs. 37.7) and Donbas (37.4 vs. 32.2).

**The cliché is especially popular in the international media that refers recurrently to Ukraine's "nationalistic West" as counter-opposed to the presumably "pro-Russian East".**

This did not impact, however, the general view of Western Ukraine, and Lviv in particular, as the hotbed of Ukrainian "nationalism", as something exceptional,—not necessarily negative but still abnormal. The cliché is especially popular in the international media that refers recurrently to Ukraine's "nationalistic West" as counter-opposed to the presumably "pro-Russian East".[12] In fact, the binary opposition is patently false insofar as the two key adjectives that make it, do not match one other. The true antonym to "nationalistic" should be either "internationalist" or "cosmopolitan", but certainly not "pro-Russian" as it belongs to an apparently different semantic field. The proper antonym for it should be either "anti-Russian" or "pro-Ukrainian" ("pro-Western", "pro-European", etc.).

The false binary opposition is tricky because it manipulates not just semantics, but reality. It implies that being "pro-Russian" or else, Russian-speaking, absolves anybody from being "nationalistic",[13] while being "nationalistic" is a primordial and perhaps genetically determined feature of Ukraine's West. The consequences of these mental short-cuts and semantic manipulations are dramatic since they facilitate many more distortions—as was briefly exemplified at the beginning of this article. Nationalism is too charged and ambiguous a word to be used arbitrarily, especially in reports about a country which most people know nothing about (or, worse, know something from poisonous sources such as RT and associates).

The primary goal of this essay is to therefore take a closer look at so-called "West Ukrainian" nationalism, its specific manifestations in the city of Lviv, its impact on people's behavior and value systems and on their perception of other regions and self-perception within the country. I would draw on available sociological data which are quite rich but which come from different, often methodologically incompatible, surveys. In most cases, they cover the entire region of Western Ukraine, occasionally Galicia (Lviv, Ternopil and Ivano-Frankivsk oblasts), but very rarely Lviv itself. Some modest extrapolation of data is needed, therefore, so that the entire region (Galicia or the whole of Western Ukraine) serves as a rough sociological proxy for the city.

**What is in the Data?**

The everyday use of Ukrainian in public might be the most conspicuous sign of "nationalism" in the city of Lviv in the eyes of visitors from the east (either from Kiev, Minsk, or Moscow) but it certainly does not look like that in the eyes of the people who did not internalize Soviet "normalcy" which deemed any public conversation in Ukrainian (Belarusian, Moldovan, Kazakh, etc.) beyond a village, bazaar or Writers' Union a deplorable deviation. Mass attachment to the native language is certainly not a unique Western Ukrainian feature, but is quite typical for most nations. The surveys demonstrate, that even in heavily Russified Eastern Ukraine, two thirds of the respondents claimed Ukrainian as their "native language" and almost half of them speak it at home. Much fewer of them, however, dare to use it in public, this being a clear sign of an unfriendly social environment that still supports and reproduces discursively a supremacist colonial convention. Western Ukrainians did not internalize it, thus the region remains the only part of Ukraine where the number of urbanites speaking Ukrainian at home and in public is the same.[14]

This might be a sign of "nationalism" since any resistance to the dominant (imperial, in this case) convention requires some sort of "nationalistic" mobilization. This is, however, a rather defensive "nationalism" aimed at protection of its national "normalcy" against the imperial normalcy imposed from the outside. It might look abnormal and deviant to Easterners who have internalized the imperial view of all things Ukrainian as inferior. It is essentially, however, quite a normal reaction, rather typical for most nations exposed to an external, either real or sometimes imaginary, threat.

12) E.g., "Dnipropetrovsk stands on the fault line between the pro-Russian east of the country and anti-Russian, nationalistic west" (Olga Rudenko, In East Ukraine, fear of Putin, anger at Kiev. USA Today, 14 March 2014, https://www.usatoday.com/story/news/world/2014/03/14/ukraine-crimea-referendum/6319183). "There is a genuine divide in Ukraine between a nationalist-dominated west and a Russian-speaking east" (Dovid Katz, The Hushed-Up Hitler Factor in Ukraine. Portside, 16 August 2014, https://portside.org/2014-08-21/hushed-hitler-factor-ukraine-and-neo-nazi-brigade-fighting-pro-russian-separatists); "The pro-European outlook that fits so easily in the country's west, where Ukrainians are nationalists, angers the ethnic Russians who people the industrial east" (Mara Bellaby, Ukraine Soccer United Divided Nation. Associated Press, 28 June 2006).

13) A modified form of the same cliché absolves all Russian-speakers from being "nationalists", while equating implicitly "nationalism" with speaking Ukrainian: "Zelensky's presidency could reduce the country's historical fission between nationalist west and Russian speaking east". (Asia Times, 5 April 2019, https://www.asiatimes.com/2019/04/article/moscow-left-friendless-in-ukrainian-presidential-race/). Or: "For years, the story of Ukrainian elections was divided between the Ukrainian-speaking and nationalist west of the country, and the Russian-speaking south and east". (Thomas de Waal, What Is at Stake in Ukraine's Election? Carnegie Endowment for International Peace, 21 March 2019; https://carnegieendowment.org/2019/03/21/what-is-at-stake-in-ukraine-s-election-pub-78659).

14) razumkov.org.ua/uploads/journal/ukr/NSD169-170_2017_ukr.pdf

15) ratinggroup.ua/files/ratinggroup/reg_files/rg_patriotyzm_082019.pdf

While the free use of Ukrainian in the public space is the most conspicuous feature that makes Lviv and other Western Ukrainian cities notably different from their Eastern Ukrainian counterparts, there are many more dissimilarities, less obvious but statistically significant and variously exemplified by sociological surveys. Most of them are not necessarily proof of "nationalism" but certainly proof of a stronger national identity and higher concern with identity-related issues. For instance, as many as 86% of 'westerners' declare themselves "patriots of Ukraine", according to a recent opinion poll, while the national average is 83%.[15] By the same token, 89% of the respondents in Western Ukraine declare support for national independence (while Ukraine's average is 71%, with 20% undecided);[16] 65% declare they are ready to defend their country with arms or in auxiliary as volunteers (the national average is 50%);[17] 72% identify themselves primarily as citizens of Ukraine (the national average is 65%);[18] 84% of respondents in the Lviv oblast feel proud to be citizens of Ukraine (the national average is 69%).[19]

**The surveys demonstrate, that even in heavily Russified Eastern Ukraine, two thirds of the respondents claimed Ukrainian as their "native language" and almost half of them speak it at home.**

The apparently stronger national identity of the region also determines its stronger pro-Western (primarily pro-EU and pro-NATO) orientation,[20] as well as support for a set of values deemed "European"—democracy,[21] liberalism,[22] free market[23] and civic participation.[24] The differences between the Western and Eastern regions are not that high, since all of them share a rather low East European civic/political culture and, to a different degree, legacies of Sovietism. Nonetheless, they are statistically discernible and quite stable. The connection between identity (nationalism) and pro-Western orientation (set of values) is determined by a peculiar development of the Ukrainian national project since its very inception in the first half of the nineteenth century. The main challenge for Ukrainian nation-builders has been emancipation from the Russian empire that did not recognize Ukrainians as a separate nationality. This entailed an even more difficult task—mental emancipation from the imagined East Slavonic/Orthodox Christian community that stemmed symbolically from

the Kievan Rus but was completely appropriated by Muscovy. The West became for Ukrainians an alternative center to identify with and acquire the much-needed symbolic and discursive resources to withstand imperial dominance. The West represented modernity much more than Russia but also required the acceptance of western values, at least at the normative level. This made Ukrainians "Westernizers by default": they either had to give up their nationalistic ambitions and dissolve in a greater Russian nation, or tame their nativist, deeply ingrained Slavic-Orthodox anti-Westernism and adopt (unpalatable sometimes) Western cultural and political patterns.[25]

The other interesting manifestation of the stronger national identity in Western Ukraine is a higher level of optimism expressed by the inhabitants of the region. As many as 87% of Westerners believe that Ukraine could overcome all problems and challenges (Ukraine's average is 81%); 63% of Westerners believe Ukraine is developing in the right direction (16% claim the opposite, while the national average is 51% vs. 23%); 42% of Westerners believe there were more positive things than negative since independence (10% claim the opposite, while the Ukrainian average is 26% vs. 23%); 39% of Westerners look to the future with optimism and 57% with hope (Ukraine's average is 36% and 56% respectively);[26] 78% of respondents in the Lviv oblast view themselves as happy or relatively happy people (Ukraine's average is 70%, with the highest results, again, in the west).[27]

Although Western Ukraine is the poorest part of the country (in terms of average salaries, personal income, and regional GDP per capita),[28] most respondents consider themselves "middle class", and assess the financial situation of their families much better than respondents in other oblasts. In the city of Lviv, only 6% of respondents claim that they do not have enough money for food, and only 14% contend that they can barely afford anything besides the most basic stuffs (both figures are among the lowest in Ukraine). Three quarters of the inhabitants of Lviv (75%—the highest number in Ukraine) fall into the middle income category: they claim they have enough money for food, clothes, shoes and other basic expenditures but need to save or borrow money for purchasing more expensive things. The upper-income categories (people who can afford everything or almost everything) are statistically insignificant in Ukraine, and fluctuate everywhere, including Lviv, around 4%. Neither income from the shadow economy nor remittances from abroad can explain

16) dif.org.ua/article/gromadska-dumka-ukraini-na-28-rotsi-nezalezhnosti-derzhavi

17) www.razumkov.org.ua/upload/Identi-2016.pdf

18) ratinggroup.ua/files/ratinggroup/reg_files/rg_patriotyzm_082019.pdf

19) ratinggroup.ua/files/ratinggroup/reg_files/rg_40000_portraits_of_the_regions_122018_press.pdf

20) ratinggroup.ua/files/ratinggroup/reg_files/rg_40000_portraits_of_the_regions_122018_press.pdf

21) When asked to choose between a "democratic system of government or prosperous economy", 54% of respondents in Lviv mentioned democracy as more important, while 31% bet on economy. This is the highest level of support for democracy in Ukraine. Generally, all West Ukrainian cities occupy the upper part of this rating, while the South-eastern cities are mostly at the bottom. https://www.iri.org/sites/default/files/2018-3-22_ukraine_poll.pdf

A few months earlier, in a similar survey, 67% of respondents in Western Ukraine defined democracy as the most desirable political system for the country (the national average was 56%). http://razumkov.org.ua/uploads/socio/2017_Politychna_kultura.pdf

In 2015, at the height of military activity in Donbas, 56% of respondents in Western Ukraine still defined democracy as the most desirable political system for the country (the national average at the time was 51%). http://www.razumkov.org.ua/upload/Identi-2016.pdf

this paradox persuasively enough, especially if we take into account the respective data from Kiev (64%)—a city which is much better-off, with the average salaries almost three times higher than in Lviv.[29]

As in the case of the higher social optimism, the patriotic mobilization might be the main reason for an apparently exaggerated assessment of personal well-being in Lviv and elsewhere in Western Ukraine—more or less in line with the sarcastic remark of the popular Lviv artist Volodymyr Kostyrko: "Before 1991, Galicians had poignantly felt two things—poverty and Russification. Now, they feel three things, happily—poverty, Russification and great joy from national independence".[30]

All the examined data do not say much about the stronger "nationalism" of Western Ukraine but rather confirm the higher level of patriotism of Ukrainian-speaking Ukrainians who make up the absolute majority in the region. In ethnic terms, Ukrainians make up 95% of the population of Western Ukraine (in Donbas they make up only 69%, and 89% in the South and East); in linguistic terms, 93% claim Ukrainian as their native language while the national average is only 60% (84% in the Center, 42% in the South, 36% in the East, and 27% in Donbas).[31] The city of Lviv has the same ethno-linguistic composition as the entire region: 97% of respondents declare themselves "ethnically Ukrainian", 3% ethnically Russian; 89% speak Ukrainian at home, 4% speak Russian, 6% speak reportedly both languages.[32]

In other words, the eastern regions look a bit less "patriotic" just because they have a higher number of ethnic Russians and Russophones. This is not to say they are hostile or completely alien vis-à-vis Ukraine but they are much more likely, for obvious reasons, to have mixed cultural and, sometimes, political loyalties vis-à-vis Russia as a kin state. This, in turn, increases the probability of a lower attachment toward all things Ukrainian and of a more ambivalent and hesitant stance on certain sensitive political issues.

### Different Kinds of 'Otherness'

To decouple patriotism from nationalism is not an easy task until and unless the latter takes an aggressive stance against local minorities and/or outside groups or nations. In all other terms like strength or salience of national identity or its supremacy over other identities the person possesses, they are virtually indistinguishable.

One of the possible ways to determine potentially dangerous features of local nationalism is to measure the level of xenophobia. In this regard, the nationwide surveys carried out by the Kiev International Institute of Sociology (KIIS) do not bode well for Western Ukrainians. The region was scored with 4.7 on the Bogardus seven-point scale, while the national average appeared to be 4.2 and the lowest score of 3.6 was found in Ukraine's South.[33] Lviv, in fact, might be closer to the 4.2 average than to the 4.7 regional extreme because cities are usually more tolerant than rural areas. One should also probably keep in mind that the aggregate data contains the findings from a very peculiar region of Transcarpatia where the largest part of Ukraine's heavily stigmatized Roma minority is concentrated. This also inflates the aggregate regional data, although Lviv may have little to do with the problem. Nonetheless, the obtained results barely characterize the region as proudly "European".

**As in the case of the higher social optimism, the patriotic mobilization might be the main reason for an apparently exaggerated assessment of personal well-being in Lviv and elsewhere in Western Ukraine.**

The Razumkov Center research seems to confirm the KIIS results, although it employs a different measurement.[34] The pollsters asked the respondents to list the members of an ethnic group that he/she would like to have as a neighbor and, separately, to list those whom he or she would not like to have nearby. Again, the Western Ukrainians appeared to be the least tolerant, with only 39% claiming that the ethnicity of the neighbors does not matter (the national average was 53%), while 44% of the Westerners expressed their preference for an ethnically Ukrainian neighborhood (the national average was 29%). Among the least desirable neighbors, Roma predictably took the lead, with the highest negative result of 41% scored in the West (the nationwide average was 32%). Russians came in second, seen negatively by 30% of the Western Ukrainians (the national average was 13%). While the negative othering of Roma is a typical phenomenon for all of Central and Eastern Europe, specifically for the areas where Roma are concentrated (65% of respondents in Czech Republic and in Slovakia would not like to have Roma as neighbors, the same negative attitude is expressed by 67% of respondents in Bulgaria, 55% in Belarus, 51% in

22) Liberalism is not a very popular ideology in Ukraine (as elsewhere in Eastern Europe): less than 3% support it in both West and East. But there are twice as many supporters of "national democratic" ideology in the West (28%) than in the East (14%), while the support for overtly illiberal ideologies is roughly the same: 4.7% for radical nationalists and 0.4% for communists in the West, and 2.3% for radical nationalists and 2.1% for communists in the East. http://razumkov.org.ua/napriamky/sotsiologichni-doslidzhennia/presreliz-tsentru-razumkova-ideolohichni-oriientatsii-hromadian-ukrainy. West Ukrainians express much stronger support for unrestrained freedom of speech – against all forms of censorship (64% versus 13%); while the national average is 42% vs. 26%. http://ratinggroup.ua/files/ratinggroup/reg_files/rg_orientyry_052013.pdf

23) ratinggroup.ua/files/ratinggroup/reg_files/rg_orientyry_052013.pdf

24) West Ukrainians demonstrate, as a rule, the highest turnout in all national elections. They also express the highest readiness for all forms of protest (46% versus the national average of 37%) in case their rights and interests are infringed by authorities. http://ratinggroup.ua/files/ratinggroup/reg_files/rg_electoral_052017_press.pdf. Also, importantly, 43% of Westerners agree that their personal engagement is needed to change the situation in the country for the better, 39% disagree. The nationwide attitude is the opposite: only 33% of respondents agree, 47% disagree. http://razumkov.org.ua/uploads/socio/2017_Politychna_kultura.pdf.

25) doi.org/10.2307/3650067

26) dif.org.ua/article/gromadska-dumka-ukraini-na-28-rotsi-nezalezhnosti-derzhavi

27) ratinggroup.ua/files/ratinggroup/reg_files/rg_40000_portraits_of_the_regions_122018_press.pdf

Russia, 42% in Slovenia,[35] 62% in Italy[36]), the pronouncedly negative attitude towards Russians is a relatively new phenomenon, that indicates instead the strong disapproval of the politics of the Russian state rather than a genuine ethnic bias.[37]

Which groups of people would you not like to have as neighbors?

| Regions, countries / Social groups | Ukraine's West | Ukraine's East | Ukraine in general | Russia | Poland | Germany |
|---|---|---|---|---|---|---|
| Drug users | 93.7 | 96.6 | 94.0 | 93.2 | 73.9 | 66.3 |
| Alcoholics | 76.7 | 81.1 | 81.5 | 84.3 | 65.4 | 70.2 |
| Homosexuals | 60.0 | 80.0 | 66.5 | 66.2 | 39.6 | 22.4 |
| People with AIDS | 44.3 | 58.1 | 42.9 | 54.3 | 25.6 | 24.0 |
| Immigrants & Gaestarbeiters | 16.7 | 36.6 | 20.3 | 32.2 | 7.2 | 21.4 |
| Racially different people | 12.9 | 20.8 | 12.1 | 17.2 | 5.5 | 14.8 |
| People of different religion | 7.6 | 6.0 | 6.7 | 14.3 | 4.6 | 14.1 |
| People of different speech | 4.2 | 6.0 | 6.6 | 18.9 | 3.2 | 13.4 |
| Couples who live unmarried | 1.1 | 2.4 | 2.9 | 7.8 | 3.5 | 9.3 |

**TABLE 1:** Regional and nationwide responses to the question "Which groups of people you would not like to have as neighbors?" (the respondents could choose from the list any number of answers)

As to the other minorities, Western Ukrainians are slightly more than the Easterners, inclined to place them on the negative list as undesirable neighbors, but also, paradoxically, more willing to place them on the positive list of preferable neighbors (e.g., 4% of the Westerners would not like to have Poles as their neighbors but 28% would like them, while the national average is respectively 3% and 18%).[38] The paradox probably stems from the fact that minorities are concentrated primarily in the West and are much more conspicuous and ethnically marked there than in the East. This probably makes Westerners' attitudes toward minorities more concrete, based on personal experience and therefore differentiated. They might be more positive or more negative but, in any case, less indifferent.

In the East, the minorities are pure abstractions, ethnic only by name. In most cases, they are heavily Russified and virtually indistinguishable from the Russian-speaking majority. One may only guess what the Easterners' attitude toward ethnic neighbors would be if they were really different, beyond the tenets of Soviet "internationalism". The empirical evidence from Ukraine's south-east does not characterize local Russophone urbanites very positively. In a number of cases, they express unprovoked (and unmatched in the West) aggression against at least two groups that became increasingly visible in the post-Soviet period—Tatars in Crimea and Ukrainian-speakers in Odessa, Kharkiv, Dnipro and other large cities.[39]

How much could you trust the following categories of people?

| Regions, countries / categories of people | Ukraine's West | Ukraine's East | Ukraine in general | Russia | Poland | Germany |
|---|---|---|---|---|---|---|
| Trust in neighbors | 82.6 | 72.6 | 73.0 | 72.5 | 73.8 | 73.5 |
| Trust in people of different religions/ Confessions | 52.4 | 28.7 | 35.1 | 36.5 | 48.1 | 50.0 |
| Trust in people of different ethnicity | 53.9 | 28.7 | 37.5 | 36.7 | 47.7 | 51.8 |
| Trust in people you never met before | 26.5 | 19.8 | 22.2 | 20.4 | 23.8 | 30.9 |

**TABLE 2:** Regional andnationwide responses to the question "Which groups of people you would not like to have as neighbors?" (the respondents could choose from the list any number of answers)

The subsequent study by the Razumkov Center sheds more light on the issue of regional tolerance by extending the list of (hypothetical) "undesirable neighbors" and also attaching, for comparison, the responses from a few other countries. Remarkably, in all but one minor issue (of religion) Western Ukrainians appeared to be more tolerant than their compatriots from the East and, in most cases, than the respondents from Russia.[40]

The same study also provides remarkable data on social trust: in Ukraine, in its regions, and in a few neighboring countries.[41] Here, once again, Western Ukrainians appear to be a bit closer in their attitudes to Poles and Germans than to their Eastern brethren and Russians. While the trust in neighbors or completely unknown strangers probably indicates the level of social capital only, the trust in people of other religions/confessions or other ethnicity/nationality also indicates some level of ethnic/religious biases (or lack thereof).

28) csrv2.ukrstat.gov.ua/operativ/operativ2008/gdn/dvn_ric/dvn_ric_u/dn_reg2013_u.html

29) www.iri.org/sites/default/files/2018-3-22_ukraine_poll.pdf

One more explanatory factor may be the structure of the West Ukrainian economy where small and medium-size businesses prevail. This ensures a more equal distribution of income than the oligarchic economy that prevails in the East and enriches enormously a few at the cost of the many. https://www.economist.com/free-exchange/2016/01/20/the-ukrainian-economy-is-not-terrible-everywhere

30) www.ji.lviv.ua/n23texts/kostyrko-146.htm

31) razumkov.org.ua/uploads/journal/ukr/NSD169-170_2017_ukr.pdf

32) www.iri.org/sites/default/files/2018-3-22_ukraine_poll.pdf

33) kiis.com.ua/?lang=ukr&cat=reports&id=793&page=1

34) http://www.razumkov.org.ua/upload/Identi-2016.pdf

35) dbk.gesis.org/dbksearch/sdesc2.asp?no=7500

36) europeanvaluesstudy.eu/2019/05/23/evs2017-results-from-a-survey-experiment-on-social-distance-in-italy/

37) www.razumkov.org.ua/upload/Identi-2016.pdf

38) www.razumkov.org.ua/upload/Identi-2016.pdf

The Razumkov Center data does not disprove the KIIS findings that indicate a rather high social distance of Western Ukrainians from other ethnic groups along the Bogardus scale. It does, however, place into doubt the presumably lower (as the KIIS study contends) distance of Eastern Ukrainians vis-à-vis the same groups. It actually indicates a substantially higher bias vis-à-vis *real* otherness in the East than in the West. The most probable explanation of the data discrepancy is that the KIIS study assumed the same notions of ethnicity in both the West and the East while in fact they were quite different. In the West, "ethnicity" seems to be more meaningful, more culturally significant than in the East, where it used to be a sheer declaration, enshrined in the Soviet documents but void of any significant (non-Soviet/non-Russian) cultural markers. It largely reflects the legacy of Soviet "internationalism": ethnicity does not matter—as long as the person is "ours", i.e. Soviet and Russian-speaking.

This notion of "otherness" (and "our-ness") is reflected in a peculiar way in one more nationwide survey carried out in 2006 by the Razumkov Center that asked respondents "How are inhabitants of Ukraine's different regions and of some neighboring countries close to you in character, habits and traditions?" Predictably, Kiev and Central Ukraine were defined as closest to everybody, while Turkey, Hungary and Romania were named as the furthest.[42] Remarkably, Western Ukraine was placed not only behind Russia but also behind Belarus—a country virtually unknown in Ukraine, with very limited personal contacts between the citizens. It was recognized as "close" probably only because of a deeply internalized Soviet myth about the tripartite East Slavonic "brotherhood" that also adds Belarus to the Russo-Ukrainian duo.

**To decouple patriotism from nationalism is not an easy task until and unless the latter takes an aggressive stance against local minorities and/or outside groups or nations.**

The 2016 survey offered a similar question ("How close to each other are the inhabitants of different regions in their cultures, traditions and views?") but applied a different scale of measurement that made the results of the two surveys difficult to compare. What is clear, however, from juxtaposition, is that the Western Ukrainians are still perceived as more distant from the Eastern Ukrainians than, generally, the citizens of

If you had to choose now, would you support the declaration of Ukraine's independence?

| Year / Respondent's native language | Ukrainian (yes/no) | Both Ukrainian and Russian | Russian | Overall in Ukraine |
|---|---|---|---|---|
| 2001 | 60/16 | 43/30 | 23/45 | 56/28 |
| 2013 | 77/17 | 54/35 | 35/48 | 61/28 |
| 2014 | 91/5 | 71/15 | 45/30 | 76/12 |
| 2019 | 89/7 | 78/15 | 73/19 | 82/12 |

**TABLE 3:** Support for national independence from Ukraine's major ethnolinguistic groups as indicated by their answer to the question "If you had to choose now, would you support the declaration of Ukraine's independence?" (only 'yes' and 'no' answers are shown in the table).

Ukraine from the citizens of Russia. And, in a new twist in the public mood, the inhabitants of Galicia are seen as more distant from the inhabitants of Donbas than are the citizens of Ukraine in general distant from the citizens of the EU.[43]

This does not necessarily mean that the inhabitants of Galicia or Western Ukraine are considered "worse", or "hostile". Actually, the 2015 nationwide survey represented a rather positive image of Western Ukrainians, seen by their co-citizens. They defined them primarily as "patriotic" (38%), "religious" (35%), "cultured" (28%), "committed to family values" (23%), "clever and educated" (16%), and "ready to help" (14.5%). The negative views gained much lower currency (the respondents could mention up to three features). 6% of respondents defined Galicians as "cunning", 5% as "aggressive", 5% as "uncultured, uneducated", and 2% as "lawless".[44] There is no earlier data, unfortunately, to trace the dynamic of changes but they seem to be coterminous with the spread of a positive meaning of "nationalism". Nonetheless, a feeling of otherness seems to prevail: Galicians might be OK but not "like us". They fall out of the mythical matrix of the East Slavonic/Orthodox Christian imagined community.[45]

## At the Bottom-line

All the apparent differences between Ukraine's regions and ethno-linguistic groups notwithstanding, they are gradually evolving in the same—pro-Ukrainian and pro-Western—direction, in term of their identities and

39) The 2011 Odesa case gained perhaps the broadest publicity because the Ukrainian-speaker was insulted by the state servant who, according to the 1989 law (never observed though), was obliged to know and use Ukrainian. See: Odesa Policeman Calls Ukrainian "Cow" Language, RFE/RL Newsline, 26 January 2011, http://www.rferl.org/content/ukrainian_language_cow/2288383.html. In private services, such situations are much more ubiquitous. One of the latest stories comes from the TV presenter Yanina Sokolova who approached conveniently an Odesa taxi driver in Ukrainian and received a boorish response: "You, fascist! We'll take on you soon!" (Sokolova got into a scandal with a Ukrainophobic taxi-driver in Odesa. Obozrevatel, 22 July 2019, https://www.obozrevatel.com/society/sho-fshistyi-sokolova-popala-v-skandal-s-taksistom-ukrainofobom-v-odesse.htm). I discussed the problem in more detail in the article Ukrainian Culture after Communism: Between Post-Colonial Liberation and Neo-Colonial Subjugation, in: Dobrota Pucherova and Robert Gafrik (eds.), Postcolonial East-Central Europe: Essays on Literature and Culture (Amsterdam: Rodopi Publ., 2015), specifically p. 346-354.

40) razumkov.org.ua/uploads/journal/ukr/NSD169-170_2017_ukr.pdf

41) razumkov.org.ua/uploads/journal/ukr/NSD169-170_2017_ukr.pdf

42) razumkov.org.ua/uploads/journal/ukr/NSD79_2006_ukr.pdf

43) razumkov.org.ua/uploads/journal/ukr/NSD161-162_2016_ukr.pdf

44) icps.com.ua/assets/uploads/files/national_dialogue/poll_for_regions/00_survey_ukraine_ua.pdf

political attitudes. This largely explains why Ukraine did not split under external pressure—as was expected in Moscow and as often happens with truly divided societies. The ethnolinguistic groups in Ukraine differ only in terms of the different levels (intensity and unanimity) of their loyalty toward Ukraine, but not by opposite loyalties toward different states.

The same dynamics can be also observed in different age groups: the younger the people, the more likely they are to be strongly pro-Western and pro-Ukrainian. All this seriously places in doubt the "exceptional" and "abnormal" status of Western Ukraine. The social dynamics instead implies a gradual "normalization" of the entire country, although painstaking, contradictory and convoluted. In any case, the higher level of patriotism and strong, preeminent and salient national identity in Western Ukraine cannot be seen as proof of "nationalism" (in negative terms)—as long as they do not clearly match with xenophobia and ethnic exclusiveness.

Western Ukrainians are not as tolerant as we would like them to be, but their attitude toward all kinds of otherness (not only ethnic but also confessional, gender, or social) does not differ substantially from their compatriots to the east or neighbors to the west. Their support for far right parties and candidates is lower than in most European nations and, actually, lower than in Eastern Ukraine—if we consider the mass support for "Opposition Platform" (the former Party of Regions) at least partially as an expression of Putin-style Russian nationalism.

**Western Ukrainians are slightly more than the Easterners, inclined to place them on the negative list as undesirable neighbors, but also, paradoxically, more willing to place them on the positive list.**

Finally, the proverbial Western Ukrainian "nationalism" has a rather inclusive view of the Ukrainian nation. Only 16% of respondents in the West define it in ethnic terms—as people of Ukrainian origin, regardless of where they live. Paradoxically, in Eastern Ukraine this view is shared by a substantially higher number (24%) of respondents. Both in the West (50%) and the East (52%), the majority opt for a civic definition of the Ukrainian nation—by citizenship.[47] The only parameter in which the Westerners are more exclusive is native language. 28% of them contend that ethnicity does not matter but that command of

Ukrainian is a must. In the East, the figure is lower, at 17%. Once again, the underlying desire in this attitude is probably not so much to exclude the "others", but rather to include them by encouraging them to learn and use Ukrainian—the language that still is discursively stigmatized and marginalized in most urban centers of Ukraine.

**Western Ukrainians are still perceived as more distant from the Eastern Ukrainians than, generally, the citizens of Ukraine from the citizens of Russia.**

Western Ukrainians in general and the citizens of Lviv in particular face a difficult dual task: to tackle their burdensome "nationalist" image and play the self-assigned role of the Ukrainian "Piedmont" that leads both the national revival and social modernization. The emphasis on the latter might be a good key to the successful managing of the former.

45) www.eurozine.com/emancipation-from-the-east-slavonic-ummah/

46) Dynamic of the patriotic views. Rating Sociological Group, August 2013, p. 12; http://ratinggroup.ua/files/ratinggroup/reg_files/rg_patriotyzm_082013.2.pdf; Dynamic of the patriotic views. Rating Sociological Group, August 2014, p. 13; http://ratinggroup.ua/files/ratinggroup/reg_files/rg_patriotyzm_082014.pdf; and Dynamic 2019, p. 8; http://ratinggroup.ua/files/ratinggroup/reg_files/rg_patriotyzm_082019.pdf.

47) www.razumkov.org.ua/upload/Identi-2016.pdf

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ECONOMY
WEALTH
TAX JUSTICE

# Are Wealth Taxes the Panacea for the Ills of Capitalism?

The structure of many modern tax systems may have actively contributed to inequality. What is more, the greatest tax burden is often experienced not by those at the top of the ladder but by low-to-middle income families.

Around the world, increasingly unequal—and divided—societies speak out loudly against the rules of the game in modern capitalist economies, which rely on profit-oriented, private markets to produce and distribute economic resources.

This rising popular discontent about inequality has found its outlet in the US and UK election campaigns. In the USA, several Democratic candidates in the 2020 presidential elections have unveiled plans for a far-reaching reform of the taxation system.

In the USA, Senator Bernie Sanders proposed a progressive tax on net wealth (assets less debt), with marginal tax rates increasing from 1% on wealth holdings over $32 million to 8% on net wealth over $10 billion. Senator Elizabeth Warren also put forward plans for implementation of a wealth tax, albeit at lower marginal rates of 2% on wealth holdings over $50 million and 3% on holdings over $1 billion.

In the UK, the Labour Party is said to be considering raising taxes on returns to wealth (a so-called capital gains tax) and replacing the inheritance tax (which raises notoriously low revenues) with a lifetime capital receipt tax (see Sir Tony Atkinson's 2015 book).

The fact that concrete wealth tax proposals have found their way into political manifestos is undeniable, and this has been facilitated by vast academic research on the topic. Development of new methods and datasets has made it possible to estimate how much is paid in taxes by different people across the distribution of income and wealth. There has also been more evidence on the effects of different types of taxes on inequality and economic performance in general, with some studies going as far as to analyze the rel-

ative merits of different redistributive policies (for example, raising tax rates versus expanding social transfers, see Guillaud, Olckers, and Zemmour 2017).

At the forefront of the taxation research is the work of Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. It was Piketty's seminal book, *Capital in the Twenty-First Century*, which brought the idea of wealth taxes back to the mainstream of policy debates. His proposal involved introducing an annual progressive wealth tax on net wealth values over $1.35 million. Piketty was unapologetic about the necessity of such a wealth tax to be levied globally to deal with the possibilities of tax evasion.

Piketty's original proposal has been met with a mixed response from experts. Its critics often point out that wealth taxes have been historically unpopular and easy to avoid, which explains why numerous countries have abandoned some form of wealth taxes over the past decades (for an overview of these criticisms see Steve Pressman's 2015 book and my chapter in Rochon and Monvoisin 2019). Many of these critics also argue that reforming current policy tools such as personal income taxes, corporate taxes, or value-added taxes (VAT) would be more than enough to tackle rising inequality. If this is the case, why have wealth taxes gotten so much traction?

Part of the answer is that existing tax policies have not been doing a good job of redistributing economic resources more fairly. This was called out by Piketty in his 2014 book, where he claimed that only taxes on the stock of wealth holdings can reign in the massive accumulation of wealth by the very rich.

**The fact that concrete wealth tax proposals have found their way into political manifestos is undeniable, and this has been facilitated by vast academic research on the topic.**

### The Doors to Tax Avoidance are the Problems

In fact, the structure of many modern tax systems may have actively contributed to inequality. There is evidence that existing tax breaks in the UK and in the USA have benefited the rich (see, for example, Levin, Greer, and Rademacher 2014 or Adam Corlett's November 2019 report for the Resolution Foundation). In addition, the greatest tax burden is often experienced not by those at the top of the ladder but by low-to-middle income families. In their latest book, *The Triumph of Injustice*, Saez and Zucman reveal a shocking finding that billionaires currently pay lower tax rates than their secretaries.

The problem is not just that existing taxes are not high or progressive enough, but that the way in which many of these policies are designed opens the door to tax avoidance and regulatory arbitrage for some, at the expense of higher tax burden for others. For instance, some types of income such as capital gains from increasing asset values tend to be either untaxed or face lower rates than taxes on earnings—while they constitute a major income source for the rich.

**A large part of the capital owned by the rich is not held in physical assets but in some form of financial assets. Financial wealth is more liquid and for this reason it can easily be moved to tax havens, where it can benefit from lower tax rates.**

What is more, corporate income taxes are notoriously easy to avoid. The world's largest companies, including Amazon and Netflix, are known to have underpaid taxes on profits, taking advantage of stock buybacks and moving some of their profits to tax havens. In addition, VAT and other indirect (also called consumption) taxes have been shown to be regressive and impact mainly finances of low-to-middle income families who spend a larger part of their incomes on consumption. A striking example of this was experienced in France, where a proposal to increase taxes on fuel sparked protests of "gilet jaunes".

While wealth taxes are an attractive alternative to the existing loophole-ridden tax system, they suffer from some serious drawbacks which need to be addressed by any future proposals. Data compiled by Oxfam show that in 2015 wealth taxes constituted only 4 % of the overall global tax revenue, even though they are not a new idea. In fact, wealth taxes had once been implemented in several countries around the globe, but they have been gradually abandoned due to low revenues and high administrative costs (see, for example, the April 2018 report by OECD Tax Policy Studies).

### The Increasingly more Mobile Capital

One of the most important reasons behind the failures of earlier wealth taxes and problems with corporate income taxes is the increasingly more mobile nature of capital. A large part of the capital owned by the rich is not held in physical assets (such as property, luxury goods, etc.) but in some form of financial assets. Financial wealth is more liquid (that is, it can be sold faster than physical assets), and for this reason it can easily be moved to tax ha-

vens, where it can benefit from lower tax rates. Tax havens are sustained by these inflows of capital, which leads to a race to the bottom between countries and among smaller tax jurisdictions. This explains why wealth taxes have been previously abandoned and why many countries are lowering corporate income taxes to encourage capital inflows.

Recent research exposes the scale of legal tax avoidance and illegal tax evasion around the globe. A team of researchers led by Zuckman estimates that each year nearly 40% of profits of multinational corporations are moved to tax havens, which corresponded to over $650 billion in 2016. This shift reduced the global revenue from corporate income taxes by almost $200 billion, which is equivalent to 10% of global corporate tax receipts. Any future wealth taxes need to reckon with this issue in order to provide a true alternative to the flawed taxation systems which are currently in place.

This is where the second part of the answer to the question of why wealth taxes have become so popular comes in. Effective taxation of wealth creates opportunities for raising the amount of tax revenue that cannot be paralleled by increases in personal or corporate income taxes. Experts estimate that Sanders' and Warren's wealth tax proposals have potential to raise over $4.3 trillion and $2.7 trillion respectively in tax revenue. One potential reason for higher wealth tax revenues is that the amounts accumulated in the stocks of wealth are substantially larger than the taxable flows of personal or corporate income.

### There is no one Panacea for Reducing Inequality

Wealth taxes, however, do more than that: when properly designed, they allow the capture of resources that are currently allowed to escape through the loopholes of the existing taxes. This begs a question as to what kind of wealth taxes would be truly effective. The definition of wealth embodied in these taxes needs to be scrutinized, alongside potentially perverse incentives for tax avoidance that specific wealth tax proposals may create. By themselves, a Sanders- or Warren-style wealth tax may not be enough to bring radical and long-standing reduction in inequality. They are a good start, however, for deeper, more far-reaching reform of the entire taxation system and public spending programs.

Given the scale of tax avoidance and evasion, Piketty's call for global reform seems inevitable—and there are ideas on how to make it happen (see, for example, the March 2019 ICRICT report on a global asset registry).

An international organization such as the IMF, the World Bank, or the European Union have expressed concerns about growing inequality—and if they are serious about tackling this issue, they should consider a global strategy for taxing wealth, in cooperation with national governments. Ultimately, future policy reforms ought to be embraced by the rich. While undoubtedly difficult, this is perhaps the most effective way of discouraging regulatory arbitrage, tax avoidance, and tax evasion. Several billionaires, including George Soros, Bill Gates, and Abigail Disney, have already expressed some support for wealth taxes.

I have recently been asked an important question that has been surprisingly underplayed in the current wealth tax debates. If wealth taxes do become a reality, what would the resulting revenue be used for? When discussing wealth tax proposals, policymakers should not neglect the reform of public spending programs as societal needs are great—from affordable housing and decent social benefits to universal healthcare and childcare, and a green infrastructure. Such bold proposals are increasingly on the political agenda. Proposals on improving public services makes wealth taxes more viable as only such comprehensive policy overhaul can achieve lasting improvements in inequality.

In summary, there is no one panacea for reducing inequality in a sustainable way. Whether one believes that billionaires should not exist in a fair economy (like Senator Sanders), or that large wealth should only be accumulated due to one's merit (like Senator Warren), the fact is that the vast majority of wealth at the top remains unearned. Wealth accumulates not as a result of hard work by the rich or by producing something of value, but rather thanks to asset price increases. Despite this massive accumulation of wealth, many modern capitalist economies are still feeling the pinch of the Great Recession. Radical proposals are much needed and given the current political climate and their potential merits, well-designed wealth taxes are a welcomed initiative to invigorate economies and redistribute resources in a fairer way.

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# Ivan Mikloš: Every Eighteen Years a Real Estate Bubble is Popped and Followed by an Economic Crisis

ASPEN.REVIEW
ROBERT SCHUSTER

ECONOMY
UPCOMING CRISIS
PUBLIC FINANCES
SLOVAKIA

The world economy suffers from short-sighted policies enacted by politicians who only see the next elections, who seek to buy their popularity and pay off the electorate, and are reluctant to enact difficult reforms, says former Slovak politician and economist Ivan Mikloš in an interview with Robert Schuster.

**ROBERT SCHUSTER: What is the state of the world economy? Is there another crisis lurking around the corner, as we can read sometimes?**

**IVAN MIKLOŠ:** So far, we are not talking about a crisis but about a downturn, or a pronounced slowdown, if you will. This is evident in the global economy, in the European economy, and specifically in Germany, the powerhouse of Europe. It is set to be growing by a half percent, next year maybe by one percent. When it comes to a crisis, the only certainty is that it will come. We do not know when it will come and what it will entail. I do think, however, that we have been cured of illusions entertained at the beginning of the millennium, which predicted the end of the economic crisis as such, thanks to new technologies and globalization. We have experienced a long period of economic growth since 2009, yet the pace is slower. Assets, mainly real estate and stocks, have had a record growth. The New York stock Exchange has had the longest and steepest growth in its history.

**So, is the theory about the economic cycles still valid?**

Yes, in its essence it is, despite the fact that on a different level modern technologies bring different aspects to it. In essence though, it is certain that sooner or later another crisis will come. There is one more relatively interesting connection, and that is that almost all instances of economic crisis and recession are tied to a burst of a real estate bubble, as was the case in 2009. It is

the proverbial exception to the rule when it is not so, like in 2001 and the pop of the dot.com bubble. There are historical records since the mid-nineteenth century demonstrating that real estate bubbles burst roughly every eighteen years. The twentieth century was an exception, with World War II, but since the 1960s it has been on track. We cannot be certain, of course, but if the eighteen year cycle keeps going, then the next one could be around 2024, as it was in 2006 when real estate prices stopped growing in the USA, and in 2007 first banks began folding. But then again, there is not a one hundred percent guarantee.

**What about the traditional tools that governments have been using to give some momentum to the economy, such as lowering of the interest rates, are they still effective?**
Well, now we have a problem. The classical tools of crisis monetary policies will not be available, as they all have been used up before crisis hits again. Central bankers have been trying to stimulate growth using a toolkit for recession times, and they have not been successful. The growth since the global financial crisis has been slower than before. At the same time, all the monetary and fiscal instruments have been used up, so they will not be available. The global debt, private and public, has gone up in the last ten years. So whatever growth there has been, it has been fueled by a growing debt, which has outpaced the economy. When crisis comes, there will be no room to increase the debt. The situation is actually more complex than in the past. The interest rates are hovering around zero, even below, and there is nowhere to lower them. So when it was no longer possible to lower interest rates, then came the quantitative easing, which has direct and indirect negative consequences. It made sense in the critical years 2008 and 2009 when it was important to prevent the freezing of financial flows and a further deepening of the crisis. The problem is, it is still being used today, ten years later. There is a strong analogy with treating a disease. When pain killers are used, the pain symptom goes away, yet the underlying cause remains unaddressed. On the contrary, it becomes worse. I do think it is a serious issue, and there is a growing resistance against it, be it at the EU Central Bank level or among the Eurozone states.

**What is the solution?**
To launch real reforms. Quantitative easing is taking time from us, it devalues money, it makes it easier for governments to borrow and it eases the pressure to commit to long term solutions and reforms. What I mean by that are healthy, sustainable public finances—i.e. lowering the deficits and debts, structural reforms—of labor markets, social sphere, healthcare and pensions. Yet the main conflict is between the politics and economy. Politicians who

think only until next elections, buy their popularity and are unwilling to commit to serious reforms seem to be running the show today. That gets us into a vicious circle—growing debt, putting off reforms, and in the meantime the problems that need to be addressed as soon as possible are becoming too big to tackle.
We can view it through the lenses of economic theory. When John Maynard Keynes came up with his theory in the 1930s, most economists considered his ideas irresponsible. His view was that during crisis the state should spend more money, and the fiscal and monetary policies should be expansive in order to mitigate the crisis. That was seen as reckless. Keynes says, however, that in order to be able to spend money in a time of crisis, there ought to be a budget surplus when times are good and the economy is growing. Right now we are in a situation when governments are only taking the first part of his advice, and everyone is ignoring the other half, which says one should be creating a surplus. So most governments are running a budget deficit even during growth years.

**The recent global crisis was brought under control thanks to joint actions taken by a wide range of players, for example by G20. Can you see it happen today when we are witnessing the erosion of multilateral agreements, and some are bent on pursuing unilateral interests?**

Yes, it would be more difficult, but not only due to the above-mentioned reasons. The main problem is that we are lacking tools that could be used effectively. Interest rates cannot be brought down any lower, and when it comes to quantitative easing and bond purchasing central banks are meeting the limits they had set upon themselves. It is a vicious circle, because one of the main reasons for the upcoming recession are the trade wars, the economic nationalism and the protectionism unleashed by Donald Trump. Economic nationalism can be seen elsewhere as well. It is one of the underlying causes of Brexit. Then there is the rise of popularity of certain extremist parties which prefer economic isolationism.

**Europe seems to be between a rock and a hard place, the USA and China. What would be the best strategy for survival?**

Europe is on the right path, because it is supporting free market and it is bringing down trade barriers. The hurdle is not so much in a wrong strategy but that its unified voice, if you like, is relatively weak. There is a legitimacy issue, too many decisions are made on the national level and no quick change is on the horizon. The importance of respecting the single market and of bringing down the trade barriers stands out clearly with a looming Brexit. Europeans have no other choice but to remain proactive. It does bring results. The threat

of a trade war between the USA and China did speed up negotiations on trade deals in Asia, and between Europe and Canada. One simply must look for space elsewhere.

**How has the economic role of V4 countries changed in the last thirty years? Does it still conjure up the image of a giant assembly line?**

We can be absolutely certain that for the countries of our region the thirty years since the fall of communism has been an unprecedentedly successful period. They have reached growth and development that has been simply unimaginable. This does not mean, however, that all is well and rosy. We could still do better. As far as the future is concerned: in Slovakia you can often hear contemptuous talk about "assembly lines". We should ask ourselves—what would be the alternatives? As of now I am being active in Ukraine, and there they would be very happy if they had them. We have to focus now on what comes next, and how the V4 countries are able to deal with future challenges. Right now, we find ourselves in a bit of a double trap. One is the trap of so-called middle income. What it means, according to the World Bank, is that when a country reaches a certain economic level, between 17,000-19,000 dollars per capita to be precise, and wants to maintain a rapid growth, it needs to change its character, what it does best. The focus must be on innovations. In order to do so, there are many necessary reforms that need to take place: healthy public finances, ease of doing business, quality of governance, education, research and development. If a country is dynamic, flexible and reformist, it is doable.

**And the other trap is?**

That would be illiberal democracy. Hungary finds itself there, Poland is on its way, and we can see some symptoms in the Czech Republic and Slovakia. The thing is that V4 countries are on a divergence path. We are successful, on the one hand, in economic convergence—we are growing faster than rich countries and we are catching up with them. When it comes down to social convergence, or in other words, how this macroeconomic success is projected into the quality of lives of ordinary people, on the other hand, there is still much more catching up to do. And then there is the third level, that of the institutions. This means that the improvement of governance according to the World Governance Index of the World Bank is even slower. This could spell the end of economic convergence as such.

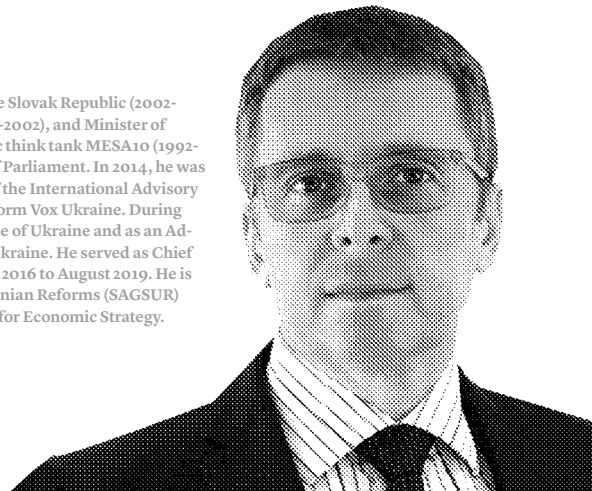
Estonia is leading the pack in the governance progress, and is most likely to be successful in the long term perspective. There is agreement across the political parties about the need for reforms and modernization. In Central Europe, we see populism, buying out of the electorate, a carpe diem attitude, and a weak drive to implement reforms and strengthen institutions. In addition, we see liberal democracy under attack in Hungary

and Poland, along with fair and free competition in the political arena. Encroaching of political freedom will sooner or later hamper the economy and its competitiveness. Russia serves as a prime example of how far things can go, when you have a corrupt system of state capitalism which simply cannot be competitive due to its very nature. Countries in Central Europe, with their limited experience with freedom, are not alone in this. There are similar trends in the USA or in the UK, because Trump and Brexit are very similar phenomena. Or take a look at Slovakia, where the government party Smer still polls at about twenty percent, despite everything in its past and what we know today. When you add fascist and other populists, the picture is pretty bleak. The fight for freedom and open society is never over, yet I am deeply convinced that there is no better alternative. Unfortunately, history shows us time and time again that humanity has to go down the dead end road first to learn its lesson.

**Would you endeavor to predict where the World or the European economy will be in twenty years?**

That is basically impossible. There are unprecedented challenges and threats ahead: climate change, sovereign debt crisis, ineffectiveness of traditional economic tools. It is true, however, that so far we have always managed to come out on top when crises hit, so hopefully thanks to new technologies and freedom we will be able to pull it off again in twenty years time. The question is what new problems will arise. It is clear now that progress in technology, AI included, will require completely new approaches all over the world. The cooperation will need to become more intensive in Europe, and globally as well. As far as Central Europe is concerned, I am an optimist in the sense that over time we will come to understand that liberal democracy and a market economy based on equal opportunity and fair competition is the best way forward. This is exactly in the spirit of the words of Winston Churchill, that democracy is the worst form of government except for all those other forms that have been tried from time to time....

**IVAN MIKLOŠ**
is former Deputy Prime Minister and Minister of Finance of the Slovak Republic (2002-2006, 2010-2012), Deputy Prime Minister for Economics (1998-2002), and Minister of Privatization (1991-1992). He co-founded and led the economic think tank MESA10 (1992-1998). Between 2006-2010 and 2012-2016, he was a Member of Parliament. In 2014, he was reappointed as President of MESA10 and became a Member of the International Advisory Board of the National Reform Council of Ukraine and the platform Vox Ukraine. During 2015-2016, he served as Chief Advisor to the Minister of Finance of Ukraine and as an Advisor to the Minister of Economic Development and Trade of Ukraine. He served as Chief Economic Advisor to the Prime Minister of Ukraine from April 2016 to August 2019. He is Chairman of the Strategic Advisory Group for Support of Ukrainian Reforms (SAGSUR) and Co-Founder of the Ukrainian economic think tank Centre for Economic Strategy.



ASPEN.REVIEW
AHTO LOBJAKAS

*ECONOMY*
*ESTONIA*
*SECURITY*

# 5G: Estonia Picks National Security over Technology

Estonia is the second EU member state, after Poland, which effectively rules out Chinese companies as suppliers of software or hardware for its 5G networks.

When it comes to the development of next-generation 5G mobile networks, Estonia has been caught on the horns of a dilemma. As a self-styled digital trailblazer, it needs all the innovative edge it can get—and 5G technology would appear to be essential. Estonia's precarious security situation, nestled alongside a Russia which is presumed to present a real threat, means it is very receptive, however, to pressure from its main supplier, the United States. Thus it came as no real surprise when the Estonian Prime Minister Jüri Ratas signed a 'memorandum of understanding' in Washington on 31 October 2019 with the US Vice President Mike Pence which effectively rules out Chinese companies as suppliers of software or hardware for Estonia's 5G networks.

Estonia is the second EU member state to take such a step, after Poland, which signed a similar Memorandum of Understanding (MoU) in early September. Both countries have pivoted sharply towards the United States in recent years, calculating that in increasingly uncertain times good relations with Washington remain the safest bet. The United States has been concerned about Chinese intentions and 'backdoor' access to a critical infrastructure for the best part of the decade. It has found a sympathetic ear among the so-called "Five Eye" nations which routinely share sensitive intelligence: comprising, apart from the United States, United Kingdom, Canada, Australia, New Zealand—although the UK has still not come to a final decision on whether to refuse Huawei and other Chinese companies access to 5G network construction.

Things have come to the head under the presidency of Donald Trump and the United States has upped pressure on the most vulnerable allies. The MoUs accordingly reiterate key US concerns when it comes to building cutting edge communication networks: suppliers should be independent and transparent in financing and ownership—and above all not subject to control by a foreign government which in turn must be subject to independent judicial oversight. All of this would seem to rule out Chinese enterprises. Both the Chinese government and Huawei deny that the company is controlled by the state.

**Like Poland, Estonia remains out of step with its "old" European neighbours. Both Germany and Finland, respectively, have refused to rule out Huawei's participation, at least in some capacity, in 5G network construction.**

### A Question of Trustworthiness

Prime Minister Ratas made clear, after the signing ceremony with US Vice President Pence, that both its digital future and the possible concerns about market access restrictions take a back seat to security concerns. "For Estonia, as a digital country, the trustworthiness of new technologies is of paramount importance—and in the field of national security, the United States remains our most important ally."[1] Estonian officials say that the considerations listed in the MoU do not specifically target Huawei, but affect all manufacturers of 5G technologies. Nevertheless, the thrust of the message is clear. "We'll assess on a case-by-case basis whether a technology constitutes a security

1) www.err.ee/998457/ratas-leppis-usa-s-pence-iga-kokku-5g-uhises-lahenemises

2) news.postimees.ee/6813047/estonia-to-pick-side-in-5g-dispute

3) estonianworld.com/technology/the-worlds-first-5g-phone-call-made-in-tallinn/

4) news.postimees.ee/6813047/estonia-to-pick-side-in-5g-dispute

5) digi.geenius.ee/eksklusiiv/kuum-kartul-huawei-eesti-voib-hiinlaste-tehnika-kasutamise-ara-keelata/

6) For a recent example, see www.aripaev.ee/arvamused/2019/11/03/raivo-vare-kapis-pole-hirmsat-hiinlast

7) news.postimees.ee/6802827/kingo-s-phone-swap-angers-the-chinese

risk for Estonia, or not," says National Cyber Security Policy Director Raul Rikk.[2] Already in the spring of 2019, the Estonian Foreign Intelligence Service reportedly concluded that Huawei does not meet this criterion.

Like Poland, Estonia remains out of step with its "old" European neighbours. Both Germany and Finland, respectively, have refused to rule out Huawei's participation, at least in some capacity, in 5G network construction. Estonia's isolation is all the greater as neither of its southern Baltic neighbours—Latvia and Lithuania—have so far yielded to US pressure to sign similar MoUs.

In fact the Estonian position presents an outright paradox, considering that it was Estonia's Minister of the Economy, Kadri Simson, who placed what is thought to be the very first international mobile phone call using 5G technology. The call was made from Tallinn on 27 June 2018 to Simson's Finnish counterpart Anne Berner, and its reported content was entirely innocuous.[3] To add to the irony, the call was meant to celebrate the simultaneous opening of the world's first 5G networks in Tallinn and the Finnish city of Tampere on the same day by the Finnish operator Elisa. Elisa is the only mobile telephone operator in Estonia which has not ruled out using Huawei's technology in its 5G networks. The other two, Telia and Tele2 have said they would opt for Nokia or Ericsson.[4]

### The Details Remain Unclear

The change in Estonia's position can be traced back to the March 2019 elections, which returned Simson's Centre Party (with its leader Jüri Ratas remaining Prime Minister) to power, but this time heading a new and distinctly right-wing coalition. The two minor coalition partners this time, one a mainstream conservative party, the other representing the extreme right, advocate and practise seeking as close as possible security ties with the United States—if need be at the expense of Estonia's other allies in NATO and the European Union. Prime Minister Ratas has been unwilling and unable to check this shift as his Centre Party, which picks up the lion's share of the ethnic Russian vote in Estonia, has tried to solve its associated credibility problem since taking power in November 2016 by leaving foreign and security policy to its coalition partners.

The details, however, of how the terms of the MoU signed with the United States are to be implemented remain unclear. Estonian officials state that security regulations are not generation-specific, with the same rules ap-

plying to 3G, 4G and 5G networks. Estonia follows a global trend here, with concerns relating to network and data integrity having been acute for at least a decade. This would seem to suggest that Elisa's existing collaboration with Huawei has so far passed muster with the Estonian authorities—and would make it difficult for them to cogently argue for the exclusion of the company in the future. Huawei, in their response to the US-Estonian MOU, indicated it would challenge any such move in courts.

**The Removing of Huawei Opens up Doors to its Competitors**

Experts also note that mobile telephone networks accrue technology over time, the layers of which are not easy to unpick. Existing support stations, using 3G or 4G technology, are said to be easy to convert, for example, to accommodating 5G network traffic. All this requires is the addition of a 5G radio sender and the installation of new software. Meanwhile, the rest of the network—apart from the radio transmission component—remains the same. This means any restrictions—such as those aimed at denying Huwaei, for example, access to the entire network—would need to be extended to earlier technologies as well. When assessing technological security risks, Estonia has thus far officially made no distinction between radio and "backbone" network equipment.

There may be a silver lining, however, to Estonia's alignment with the wishes of the United States—of which the government need not be unaware. Removing Huawei and other Chinese companies from the contention opens up doors to their competitors. In Europe, the two main alternative large-scale suppliers of 5G technology are Finnish Nokia and Swedish Ericsson. Ericsson especially has been subcontracting Estonian hi-tech companies to manufacture parts for 5G technologies which are then sold world-wide. Urmas Ruuto, Ericsson's head of sales in Estonia, says that the number of such contracts awarded to Estonian suppliers extends to double figures. He also states that the United States has become a particularly lucrative market for Ericsson as there is no competition from Huawei and massive investments are made into 5G networks.[5]

**Not a Part of Estonia's IT Success Story**

Estonian entrepreneurs have recently tried to make the case that the government should try and keep politics out of business.[6] Estonian Foreign Minister Urmas Reinsalu stated after the signing of the MOU with the United States that

it not directed against Huawei. He said that China is an important trade partner for Estonia, with imports totalling €594 million and exports €185 million in 2018. There are reports that Chinese enterprises would be willing to contribute funds towards the construction of an under-sea tunnel between Helsinki and Tallinn. Should it materialise, the tunnel could become an important link in a prospective new transport route extending from the Arctic Sea via Norway and Finland to Tallinn, whence it would carry on as Rail Baltic through Latvia and Lithuania to Poland. Both the Finnish and Estonian governments, however, while rhetorically supportive of the idea of a tunnel, have been loathe to commit themselves to any practical measures thus far. Part of the Estonian government's reticence has to do with the way China has used its financial leverage in Hungary, the Czech Republic, Cyprus, Greece and elsewhere for its own political ends—the most visible of which are attempts to manipulate EU foreign policy. Interestingly, there have been reports that a previous Estonian IT and foreign trade minister in the current government was forced to replace her Huawei phone with an iPhone.[7]

There has been very little debate on the issue outside expert circles. The public appears to be inured to appeals to national security, trumping all other considerations. The mobile networks, whatever their logistical value, are not seen as part of Estonia's IT success story. That, in turn, tends to be an increasingly ethereal affair from the point of view of the Estonian state and society, as globally successful Estonian start-ups—such as Taxify or Transferwise—tend to make the real money elsewhere and thus contribute little in real terms. Estonia's e-governance drive has also seemed to stall over the past few years. While the volume and coverage of public IT services remains impressive—there is little in the way of bureaucratic procedure that cannot be done online—it is increasingly suffering from funding issues. Ambitious data centralisation projects languish as a result of budget overshoot and the entire government-citizen interface is looking increasingly out of date. The Estonian ID-card with its computer chip, used for services as diverse as medical prescriptions and electronic voting, has increasingly been beset by security problems.

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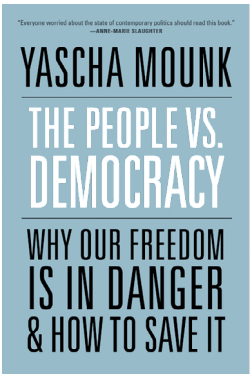
# Perverted Democracies

ASPEN.REVIEW
EDIT ZGUT

CULTURE
OLIGARCHIZATION
DEMOCRATIC DEFICIT




## The People vs. Democracy: Why Our Freedom Is in Danger and How to Save It

Yascha Mounk

*Harvard University Press 2018*

In the age of a global democratic recession, we cannot get enough of scholarly work on how contemporary liberal democracies are being challenged by populism. Yascha Mounk's book entitled "The People vs. Democracy" is one of the latest in this series and is an interesting exercise in political sociology. The author had a truly ambitious goal—not only coming to terms with populism and trying to fine-tune the gap between the phenomena and democratic backsliding but also to find solutions in global terms. His contribution—split into three main themes, diagnosis, etiology and therapy—is nonetheless a huge added value to comprehending the complexity of these patterns by trying to connect the dots between the United States, Europe and Asia. Readers from Central/Eastern Europe may, however, have a certain feeling that various parts of his critical diagnosis seem to be based mainly on American pressure points.

First, Mounk's basic assumption is that even if the idea of a global democratic recession was largely a myth before 2016, with the victory of Donald Trump—together with the multiple crises of the EU—it became a reality. He is rightfully claiming that democracy no longer appears to be the only game in town. What makes Mounk's approach debatable is that, according to him, the process of democratic consolidation really has been a one-way street up until recently. It is worth bearing in mind the argument

of Steven Levitsky and Lucan A. Way who claimed that while the end of the Cold War triggered a wave of democratization, it also triggered a wave of hybridization. Hence, this is not a phenomenon that prevailed mainly after 2010, and one of the regional examples of a hybrid regime, inhabiting the gray zone between an established democracy and a dictatorship, was Slovakia after the democratic transition.

His main thesis is that liberalism and democracy—the essences of which in his account are rule of law and the popular will—are starting to be at odds with each other, meaning that liberal democracy is also being undermined by a tendency to emphasize "liberal" at the expense of "democracy." While Mounk highlights that "the legitimacy of judicial review is a necessary safeguard" (...) he also claims that "the simple truth is that it makes many issues on which ordinary people have strong opinions out of political contestation". It resembles the concept of Koen Abts and Stefan Rummens, who argued that "that the anonymous rule of law is not as innocent as it seems." In their study entitled "Populism versus Democracy" the authors have highlighted the paradoxical concept of constitutional democracy, where "the law usually institutes and conceals the dominance of particular groups in society such as, for instance, white, male, property owners." Therefore, as they put it, political legitimacy requires that supreme authority resides not with the law but with the people.

**According to Mounk, liberal democracies might be perverted in two ways: illiberal democracy (democracy without rights) and undemocratic liberalism (rights without democracy).**

### Illiberal Democracy and Undemocratic Liberalism

Mounk notes that our political regimes are no longer functioning like liberal democracies and increasingly look like "undemocratic liberalism", but the logic of his argument regarding rule of law seems to be rather twisted from a Central/Eastern European perspective. This is especially so given the volume of constitutional political developments in Poland, where Law and Justice (PiS) could manage a judiciary overhaul by amplifying impatience with liberal constraints on the government with checks and balances viewed as obstacles of getting things done for the people. Given that rule of law has been undermined by the Polish and the Hungarian governments, and various global democra-

cy indexes have highlighted that these democracies have seen the most widespread democratic erosion in the past 5 years, the respective governments are under Article 7 procedures for the first time in the history of the EU.

According to Mounk, liberal democracies might be perverted in two ways: illiberal democracy (democracy without rights) and undemocratic liberalism (rights without democracy). Conceptually speaking, his notion of "illiberal democracy" is an oxymoron as the liberal pillars of democracy are indispensable to the democratic process itself. As Wojciech Sadurski has rightly put it: if the very liberal rights that are part of the guarantees of democracy are eroded of substance, the system loses guarantees of self-protection and democracy become merely formal.

In Mounk's understanding, "undemocratic liberalism" is being embodied by the European Union; he argues that one reason why our system has become less strictly democratic is that many important topics have been taken out of political contestation, which merged with the growing pressure of technocratization and oligarchization. It is not clear, however, how the conceptual framework of "undemocratic liberalism"is particularly liberal, as Mounk himself also emphasizes that democratic decisions need to be carried out by public bodies who have some degree of autonomy.

## Political State Capture

Furthermore, his diagnosis about the growing power of unelected institutions within the EU seems to be exaggerated in light of new intergovernmentalism. In terms of decision-making, intergovernmental platforms such as the European Council and the Eurogroup remain the most important EU institutions. Nonetheless, this intergovernmentalism fits into his argument about the democratic deficit, not only because the negotiations are being prepared by the technocratic elites, but because of the "there is no alternative" sort of approach that prevailed throughout the Eurozone crisis.

Also, while he is highlighting the significant role of money in the political system, by mainly focusing on the explosion of the lobby industry, he did not actually elaborate on the issue of political state capture and systemic corruption, partly financed by the EU throughout generous subsidies. To put it more blatantly, he did an excellent job of pressing home (the US) the point, but missed the opportunity to underline a key feature of illiberal system-transformation in CEE.

Another provocative argument of Mounk's book is that "to understand the nature of populism, we must recognize that it is democratic and illiberal". He claims that populism's fundamental nature is democratic inasmuch as it expresses the will to restore power to the people. By referring to leading analysts of populism who have refused to acknowledge this drive, he is referring to Jan-Werner Müller who identified populism as anti-pluralism, making a claim to an exclusive moral representation of the "real people. What makes his conceptualization a paradox is that while Mounk shares Jan-Werner Müller's concern at the democratic damage already done by anti-pluralist, therefore anti-democratic populists, he still insists that "there is something democratic to the energy that drives" them. Ironically, to describe populists' democratic commitment, Mounk quotes Viktor Orbán who celebrated Donald Trump's victory by saying that it marked America's transition from 'liberal non-democracy' to 'real democracy'.

## How did we get there?

While the larger part of the book is focused on the populist rise of Donald Trump, Mounk is aiming to connect the dots between the US president and his European counterparts. He emphasizes the classic approach about elites that are corrupt and working on behalf of outside interests—their slogan is "I am your voice and everyone else is a traitor." He identifies three major developments that have been driving the contemporary instability of democracy. Firstly, he claims that in the past citizens built up loyalty to their political system because it kept the peace and swelled their pocketbooks. One of the gravest pressure points was that in contrast to the period after the Second World War, liberal democracies could no longer guarantee their citizens a very rapid increase in their living standards. Secondly, empowering outsiders, digital technology destabilizes governing establishment all over the world and spreads up and speeds up the pace of change. As a result, political outsiders can spread lies and hatred without abandon. On top of that, populists have been able to successfully exploit the new technology most efficiently, undermining the basic element of liberal democracy. While he is mainly focused on Trump, the analysis fails to identify other relevant pressure points such as media capture, state-led manipulation and subversive Russian disinformation that amplifies democratic deterioration and the success of populists in CEE.

Thirdly, he highlights identity-based fears regarding the increasing level of xenophobia now that citizens have to learn how to live in a more equal and diverse democracy, stressing that demographics are a key pressure points both for North America and Europe.

**One reason why our system has become less strictly democratic is that many important topics have been taken out of political contestation, which merged with the growing pressure of technocratization and oligarchization.**

### What Should be Done?

Mounk admits that meeting all of these challenges is going to be extremely difficult, and yet he tries to provide global solutions to a many-faced monster. Having a look at his suggestions about how to fix the economy, a decent European-style social democrat narrative prevails.

From diagnosis and etiology, he moves to extensive recommendations, with a threefold approach. In order to stop the rise of populism, economic policy must be fixed by responding to complex fears and envisioning a better tomorrow with the basic elements of the welfare state to be restored. He suggests, among other things, that the state could do much more to ensure that those who have been most heavily impacted by automatization will be able to obtain a life of material dignity. Speaking about a new tax system, he claims that governments should change the behavior of the super-rich by stepping up criminal punishment for big-time tax evaders.

While he is rightfully encouraging democratic opposition to stand up proactively, stressing that this kind of "joint rebellion" can make the lives of populist governments difficult in practice, he's wrong by claiming that in Hungary mass protest may have helped convince Viktor Orbán to allow Central European University to keep operating even after he passed a law to disband it.

Although it may be fashionable for an activist to campaign for the mainstream party, he emphasises that it is often the only way to stand up for democracy. In a nutshell, he is proposing a forward-looking strategy that helps them win the next elections to implement meaningful improvements once they form the government. It is especially relevant in Poland and Hungary where the opposition can only stand a chance if they join forces due to the uneven playing political field.

Instead of the radical leftist rejection of the nation, he suggests embracing inclusiveness by forging a new language of inclusive patriotism. "Nationalism is like a wild half domesticated animal. As long as it remains under control, it can be of tremendous use and genuinely enrich our lives but it is always threatening to break free of the cost training put on it and when it does it can be deadly." The first step would be to educate them together: in Germany, that would mean rethinking the three-tier school system and make it much easier for immigrant children to attend university. In the US it would mean a renewed focus on desegregated schools.

**Populism's fundamental nature is democratic inasmuch as it expresses the will to restore power to the people.**

With regards to the hate speech prevailing on social media, he warns not throw the baby out with the bathwater, claiming that any sort of censorship would ultimately undermine the very foundation of liberal democracy and politicians like Trump would gain the right to censor whatever they dislike. By highlighting the importance of renewing civic faith and rebuilding trust in politics, he is stressing that opposition politicians have an incentive to uncover gross forms of misconduct and state corruption.

The author has nevertheless delved into a heroic endeavor to identify silver bullets to all those who are concerned about liberal democracy. Given his anxiety, however, about people falling out of love with democracy, he should have provided at least a couple of points regarding how rule of law is valuable and why individual rights should be considered inviolable. This is especially because—as we have also learned from his book—there is a very low level of trust within democratic institutions providing a favorable background for authoritarian populist backsliding not only in Central Eastern Europe but also in the United States.

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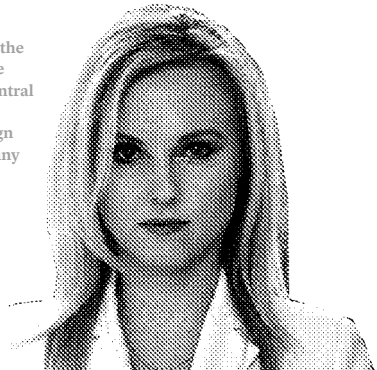

# Merit is Privilege

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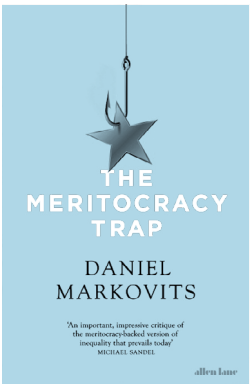


## The Meritocracy Trap

Daniel Markovits

*Allen Lane 2019*

In "1984" George Orwell inscribes his Ministry of Truth with the motto "War is Peace. Freedom is Slavery. Ignorance is Strength." In fictional Oceania, words no longer mean what they did, and can even signify the opposite. While this madness epitomizes a kind of totalitarian nightmare, the power of the image, and the book as a whole, comes as readers recognize similar—if less extreme—patterns in their own societies.

Today, similar inversions abound and they range from the silly to the sinister. Once a symbol of youthful rebellion and music videos as an emerging art form, the cable channel MTV—that is "Music Television"—no longer plays music and instead uses cheap, mass produced reality shows to sell consumer goods to kids. In Orwellian terms you might say counterculture now equals consumption. Equally absurd, even as BP spilled 4.9 million barrels of oil into the Gulf of Mexico in 2010, the firm's marketing emphasizes a commitment to renewable energy, but still directs 96 percent of capital expenditure toward oil and gas. Black, it seems, is the new green.

As Yale law professor Daniel Markovits argues in "The Meritocracy Tramp" the same now occurs with the seemingly benign term "merit". Whereas aristocracy, plutocracy and kleptocracy are widely discredited methods for organizing society, predicating success, wealth and power on effort, talent and

achievement looks like the best possible alternative. "Meritocracy," Markovits writes, "has become the present era's literal common sense." But it actually drives many of the world's fundamental economic and political problems.

More so than any time in history the best jobs (and the best pay) are obtained through open competition. While the wealthy once passed wealth down to their children through dynastic succession, and aristocrats hardly ever worked, today the rich and powerful almost all have jobs. In fact, the highest paid bankers, lawyers and CEOs frequently work insane hours. Huge hourly pay, and massive hours differentiate this new ruling class from the middle class, while convincing the beneficiaries that extreme effort means they deserve special status. "When it frames inequality as justified, meritocracy deprives those at the bottom of an oppressor against whom to assert high-minded claims of justice," Markovits writes.

**Wealthy kids often have take special courses or hire tutors to prepare—something not possible for a poor kid. This is the equivalent of an Olympic 100 meter race that allows some runners to openly use steroids.**

### The Winners Almost Start the Game with Historic Advantages

In what now seems obvious, this pushes people left behind to invent oppressors, "constructing an identity politics of their own". In recent years, the bigoted assertion of purportedly male, white and Christian identities (among others) has been an unfortunate result. Meanwhile, extreme cases of isolated greed and wrongdoing—say the infamous, imprisoned pharmaceutical mogul Martin Shkreli who famously raised the price of an essential anti-parasitic drug to $560 per pill—serve as distractions that help solidify the system. "Rising inequality is not driven principally by villains, and moralistic attacks on bad actors neglect morally complex but massively more consequential structural wrongs," Markovits writes.

Even as professional competition is now open to the best possible candidates, the contest for what Markovits calls "glossy jobs" (as compared to "gloomy jobs") is actually rigged. While anybody is welcome to try out, the eventual winners almost always start the game with historic advantages. Admission to top universities in the United States, to take a simple example, is determined in part by results on the supposedly objective SAT exam. But wealthy

kids often have take special courses or hire tutors to prepare—something not possible for a poor kid. This is the equivalent of an Olympic 100 meter race that allows some runners to openly use steroids, while insisting that losers concede they lost a fair contest. It comes as no surprise that there are more students at Harvard and Yale from families in the top 1 percent of incomes than those come from the entire bottom 50 percent of income distribution.

**Elite education translates into an elite job that then allows a new generation to finance those same test preparation classes for their own kids.**

As Markovits demonstrates, children born into elite households begin distancing themselves from the womb. By the time they turn three years old, a kid born to two professional parents has heard 20 million more words than one whose parents hold non professional jobs, and 30 million more than a child whose parents are on welfare. In this area, and many others, the gap between elites and the middle class is bigger and growing more rapidly than gaps between the middle and lower classes. Data shows that a super-rich, hyper-educated minority is separating itself from everybody else, leaving the middle class and poor then to fight among themselves for the scraps. "Meritocrats may be made rather than born, but they are not self-made," Markovits writes.

### Inheritance Comes in Less Obvious Ways

Unlike aristocrats of the past, meritocrats are wary of passing wealth down to their children through monetary inheritance. To do so would expose the myth of meritocracy—that elites have earned everything they got—as a lie. But inheritance comes in less obvious ways. Markovits calculates that—over the course of childhood through private school tuition, tutors and special training, trips to museums, and after school activities—a family in the top 1 percent of income invests $10 million more per child in education than a typical middle class family. "This sum values an elite child's meritocratic inheritance," Markovits writes. "It's an inheritance because it runs from parents to children and promotes an elite family's dynastic ambitions."

Once in motion, the meritocratic cycle accelerates. In expensive private schools, students further distance themselves from their counterparts. Elite education translates into an elite job that then allows a new generation to finance those same test preparation classes for their own kids. Ensconced

in a glossy job, elites justify their inflated salaries and sense of importance with the genuine belief that is has come about from hard work. At some point, no amount of effort can close the gap or allow an outsider entry to this elite status. "To be middle class in a mature meritocracy is to be not just old-fashioned but backward looking," Markovits writes.

**Quite a lot of the wealth generated via capital gains is actually labor wealth in disguise. High level executives and CEOs are paid for work through equity in the company, for example, rather than cash.**

In a structural sense, Markovits's argument runs counter to the one made by French economist Thomas Piketty's 2013 book "Capital in the Twenty-First Century". Piketty argued that growing inequality comes as rates of return on capital outpace overall economic growth. That signifies that people that control property (capital) are keeping an increased share of profits for themselves, at the expense of everybody else.

### In the US, Economic Inequality is Generally Worse

While Markovits agrees that inflated returns on capital have tilted economic benefits toward the rich, he contends that it accounts for a mere fraction of the problem. He concludes that three-quarters of the increased wealth among the top 1 percent over the past 50 years has come from the redistribution of labor income, not return on capital. Rich people, he says, are getting richer because they get paid bigger and bigger salaries. "Meritocratic inequality principally arises not from the familiar conflict between capital and labor," he writes, "but from a new conflict—within labor—between superordinate and middle class workers."

Markovits points out that quite a lot of the wealth generated via capital gains (which are also taxed at lower rates than labor income) is actually labor wealth in disguise. High level executives and CEOs are paid for work through equity in the company, for example, rather than cash. "Over the past twenty years, roughly half of all CEO compensation across the S&P 1500 has taken the form of stock or stock options." Even traditional employer-based private pensions (once more common for the middle class, and now skewed to elite jobs) or matching 401K investment plans accumulate size and strength proportionate to the number of years worked (labor).

Much of Markovits's argument centers on the United States, where economic inequality is generally worse than in Europe and socio-economic divisions have accelerated faster in the past half century. To illustrate the massive divide, Markovits juxtaposes Palo Alto, California—home to Stanford University and dozens of Silicon Valley startups—with St. Clair Shores, Michigan—a working class suburb of Detroit about 20 minutes from where I grew up. In 1960, median income, housing prices and education levels were about the same in both places. Today, median incomes in Palo Alto triple St. Clair Shores, and houses are twenty times more valuable. Meanwhile, Palo Altans are three times more likely to have a bachelor's degree and five times more likely to have graduate or professional degrees.

### The American Education System Benefits Existing Elites

Markovits is not the first to question the merits of meritocracy in the United States, a country that bases its entire national narrative on self-determination and hard work. In 2015, Harvard law professor Lani Guinier published "The Tyranny of Meritocracy," which attacked the ways the American education system benefits the existing elites. The fourth edition of another major sociological study, "The Meritocracy Myth," by scholars Stephen J. McNamee and Robert K. Miller Jr. came out in 2018. It emphasized how race, class and gender often mediate any competition. In 2016, economics scholar and New York Times columnist Robert H. Frank published "Success and Luck," which argued that the rich underestimate the role luck has played in their success. But Markovits's use of data to demonstrate the impact of meritocracy, and his ability to fit it within a larger macroeconomic narrative separates this book from earlier inquiries.

**Even as the United States represents the extreme "mature meritocracy", a growing meritocratic divide is apparent in many countries.**

Even as the United States represents the extreme "mature meritocracy,", a growing meritocratic divide is apparent in many countries. As far back as 1958, the British sociologist Michael Young forecast a dystopian meritocratic future for the UK in his book "The Rise of the Meritocracy". He was sufficiently appalled when this term of derision took on positive connotations under the New Labour governments of the 1990s to reengage in the debate. "It is good sense to appoint individual people to jobs on their merit,"

he wrote in a 2001 opinion piece in The Guardian. "It is the opposite when those who are judged to have merit of a particular kind harden into a new social class without room in it for others."

### Meritocracy Fosters Educational Apartheid

Globally, between 1988 and 2008, the top 1 percent of earners saw their incomes grow at three times the rate of the world economy as a whole. Today, inequality in France and Germany is about the same as it was in the United States in the 1980s—a gap that once appalled Europeans. "Economic decline, cultural stagnation, and political alienation in St. Clair Shores have close parallels in Blackpool (England), Amiens (France) and Buckenberg-Pforzheim (Germany)," Markovits writes. While numbers in the UK track American trends closest, not all of Britain's top earners are actually Brits. According to the European Banking Authority, 73 percent of European bankers earning more than €1 million per year are based in the UK.

Meanwhile, the Bulgarian thinker Ivan Krastev has written about meritocracy breeding resentment for the European Union, where multinational teams of experts set policies for everybody else. "The paradox of the current political crisis in Europe is rooted in the fact that the Brussels elites are blamed for the same reasons that they praised themselves for: their cosmopolitanism, their resistance to public pressure and their mobility," Krastev writes.

**The private sector follows a similar meritocratic playbook, often sharing personnel back and forth with Brussels, while international corporations shuttle managers from metropolis to metropolis.**

The private sector follows a similar meritocratic playbook, often sharing personnel back and forth with Brussels, while international corporations shuttle managers from metropolis to metropolis. Krastev compares the movement of this elite class to the transfer of football players. A consultant for McKinsey is a lot like a French striker who is equally comfortable scoring goals in Madrid, Milan, Munich or Manchester. "But what happens when these teams start to lose or the economy slows down?" he asks. "Their fans abandon them. That's because there's no relationship connecting the 'players' and their fans beyond celebrating victories. They are not from the same neighborhood. They don't have mutual friends or shared memories."

Markovits demonstrates that meritocracy breeds inequality, hinders social mobility and fosters economic and educational apartheid. Even meritocrats are harmed by longer working hours, as their children forego childhood to jump on the conveyor belt of elite training at ever younger ages. "In a mature meritocracy, schools and jobs dominate life so immersively that they leave no self over apart from status," he writes.

If the causes and effects are clear, the solutions less so. While Markovits offers some ideas, changing tax laws for example, they require winning political battles. True believers in meritocracy are unlikely to be convinced by his data. Like any prevailing ideology, their belief is wrapped in a moral argument that sees everything they posses as justly earned. Furthermore, meritocrats occupy positions of power and in recent decades politics have managed to shape government, lawmaking and political competition to meet their own ends. Changing meritocracy may require meritocrats to reform themselves. "Although meritocracy once opened up the elite to outsiders," Markovits writes, "the meritocratic inheritance now drives a wedge between meritocracy and opportunity."

Or as Orwell might say, merit is privilege.

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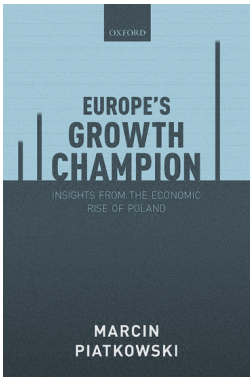
# Growth on the European Periphery




## Europe's Growth Champion: Insights from the Economic Rise of Poland

Marcin Piątkowski

*Oxford University Press 2018*

Marcin Piątkowski's book may be disliked on both sides of the barricade of the main political dispute in Poland. It deprives the conservatives of the historical myth of the Old Republic, to which they would very much like to take us at the end of the second decade of the twenty-first century. However, this is not the only reason why you should read it.

Milan Kundera once created a figure that contained the essence of the mythological self-definition of the Polish (first dissident and then co-ruling) intellectuals of the 1980s and 1990s. It depicts our part of Europe kidnapped by a communist bull from the East, but stubbornly striving to fulfill its historical destiny and return to its supposedly natural place among the nations

of the West. This is exactly how Polish post-Solidarity liberals described the three decades after the fall of communism in 1989. Poland and its neighbors were returning to Europe, our economies were becoming normal again, making up for lost time in the black hole of communism, and our citizens were finally regaining their lost democracy.

Marcin Piątkowski's book proposes a radical break with this beautiful vision. The author, an economist who for years has been a senior economist at the World Bank in Beijing, mercilessly overthrows all its pillars, demonstrating that in its long history Poland has never been part of the West—there was nowhere to go back to, as the economic model implemented with the reforms of the 1990s had not functioned in this area in pre-communist times—so there was no question of normality, and finally, during the first free elections on 4 June 1989, we did not regain democracy in Poland, because it simply did not exist here before. What is more, communism was not a black hole, but a key event in Polish history.

**Noble privileges quickly paralyzed institutions and the state and the manor system instilled in Poland the conviction that our most important comparative advantage should be a cheap labor force.**

Piątkowski is not at all intent, however, on denouncing three decades of building capitalism in Poland. Paraphrasing Hegel, one can say that instead he proposes to turn the story of this period from the "romantic head" to the "economic feet", and to put everything in a proper historical context. And this last element is the strongest in his proposal.

### The Polish Troubles Began in the Sixteenth Century

In fact, almost half of *Europe's Growth Champion* is devoted to economic history. The author begins his story in the sixteenth century, when, in his opinion, the Polish troubles began. It was then, contrary to the vision of the Golden Age that has been fed to us, that the elite of the emerging Polish-Lithuanian Commonwealth chose the worst option. They based their political model on the privileges of the nobility, founded the economic model on the manor, using agricultural monoculture and serfdom, and thus bringing about the condition of a peripheral country. Noble privileges quickly paralyzed institutions and the state (depriving them of the army and off tax revenues), and the manor system instilled in Poland the con-

viction that our most important comparative advantage should be a cheap labor force. This was repeated by successive generations of local elites, and 1989 instilled this discourse with a new life in a neoliberal form. Using hard data, Piątkowski pre-empts any arguments of conservative historians who have recently tried to relativize serfdom and promote a vision of the Sarmatian Republic of prosperity. The level of consumption, the literacy rate, the number and autonomy of cities, the legal order, the volume of tax revenues—all this put the Commonwealth far behind the West.

Indeed, there is something shocking in the analysis of indicators describing the ratio of GDP in Poland to GDP in Western Europe, which after reaching about 53% in the sixteenth century, systematically decreased until the beginning of the nineteenth century (to 38%), increased in the second half of the nineteenth century (56%), then fell again in the interwar period (45%) and grew after 1945 (until the 1970s). It turns out that the GDP level was catching up with the Western one only during the partitions and communism. Apparently, Poland's independence was bad for the growth of the income of its inhabitants. But is it any wonder if for centuries independence meant the sovereign power of the nobility?

## The Landed Gentry as a Serious Brake on Modernization

This World Bank economist does not genuflect before economic indicators. As a solid institutionalist, he is forced to acknowledge that Poland's main problem was not too little investment, competitiveness or technology, but the social barriers behind all these deficits. The most serious impediment to modernization was the landed gentry—a class which, due to its disproportionate political power, economic particularism and xenophobic, anti-intellectual ideology, brought about the collapse of the country in the eighteenth century and again in the interwar period of the twentieth century.

Piątkowski proves that during the first two decades of its rule in the Polish lands, communism produced changes without which it would be difficult even to dream of a leap into modernity. At the same time, he quotes enough hard data to justify the claim that if communist Poland had ended in the late 1960s, we would have remembered it today with respect, recognition and tenderness. Even when the author compares communism to the fourteenth century plague in Western Europe, he does it tongue in cheek, demonstrating how much good the brutal destruction of the old feudal world did.

It is equally interesting when the author of *Europe's Growth Champion* begins to revise the history of Polish transition after 1989. It is a peculiar revision, however, because it looks like sincere hagiography. The whole process arouses the enthusiasm of Piątkowski, who goes as far as to say that the three decades after the Round Table were the best period in the history of Poland. Yet he does introduce some significant corrections to the hackneyed "success story of Polish reforms". First of all, it turns out that there were two fathers of the success: Leszek Balcerowicz, who played the role of a bad policeman and Grzegorz Kołodko, the good policeman of transition. Balcerowicz brought about shock therapy with unemployment, pauperization, recession and the collapse of entire branches of the economy. Kołodko ushered the country into an impressive growth path, reducing unemployment and poverty, and at the same time slowing down privatization. Interestingly, Balcerowicz's reinstatement as the Finance Minister in 1998 resulted in a sharp drop in GDP growth and a renewed increase in unemployment and poverty.

**Poland's main problem was not too little investment, competitiveness or technology, but the social barriers behind all these deficits.**

### Reformed Neoliberalism Saved Poland from a Drift toward Russian Solutions

The history of transition outlined in this way becomes more dramatic. But the attempt at presenting its balance sheet reveals many of the key limitations of the author's approach. The emphasis on the role of institutions is connected with his failure to notice the dynamics of social processes and conflicts. This in turn results in the claim that external aggression or pressure is the only effective catalyst for changes allowing societies to move from oligarchy to democracy. Even if this is the case historically and statistically, no aggression or occupation would have been able to change anything without coinciding local conflicts and grassroots desire for change.

It was like this in Poland in 1944, it was like this, all the differences notwithstanding, after 1989, when the shock therapy bluntly imposed by the IMF and the creditors of Warsaw collided with democratic aspirations and strong social resistance, expressed in thousands of strikes in 1991-1993. It was only from this clash that the somewhat less brutal, slightly less dogmatic, reformed neoliberalism contained in Grzegorz Kołodko's Strategy for

Poland emerged, which saved Poland from a drift towards Russian (authoritarianism), Ukrainian (oligarchy) or Hungarian (destruction of the manufacturing sector of the economy) solutions.

Additionally, the scale of the Polish success after 1989 does not seem to be as great as Piątkowski suggests. His data illustrating the dynamic GDP growth (also per capita), the increase in the number of students, the increase in consumption and wages, the decrease in unemployment, the inflow of investments and the positive effect of emigration and EU transfers should be contrasted with the latest data on the inequality rate (one of the highest in Europe), the increase in poverty and the percentage of people living below the minimum subsistence level (still huge—almost 40%!), the ratio of working time and productivity growth to wages (very unfavorable for wages), the median of wages (low), as well as the awareness of how disastrously low the starting point was for Poland in 1989 and how catastrophic the recession which Poland came out of was in 1993 (which explains the 7% growth rate) to put a damper on the author's optimism.

### The Most Important Summary of Thirty Years of Capitalism

In fact, there are strong arguments undermining Piątkowski's eponymous claim about Poland leaving the economic peripheries. After all, today we are a sub-supplier in the European division of labor, the majority of (still strong) industry is concentrated in assembly plants of Western corporations, and, as a result, dynamic Polish exports are characterized by a high share of imports. It is certainly better to be the periphery of the European Union than the periphery of world capitalism, but it is still not a successful economy. As long as our competitive advantage remains a cheap (and unstable) labor, we will remain stuck in a modernized, but still largely insurmountable, trajectory of peripheral development which Poland has been following for five centuries.

**There were two fathers of the success: Leszek Balcerowicz, who played the role of a bad policeman and Grzegorz Kołodko, the good policeman of transition.**

Incidentally, Piątkowski seems to be aware of the weakness of the economic model that has made Poland the European leader in growth. He knows that even if it functioned well in the 1990s (which in itself is a highly

controversial claim), it no longer guarantees success. This is why he proposes a fundamental correction, which he calls the Warsaw Consensus. As a combination of continuation and as an alternative to the neoliberal Washington Consensus, it includes actions worthy not only of the World Bank's leadership, "wiser after the crisis," but also of a decent social democracy (e.g. strengthening institutions, increasing the employment rate, opening up to immigration, inclusive growth, a focus on well-being).

**It is certainly better to be the periphery of the European Union than the periphery of world capitalism, but it is still not a successful economy.**

*Europe's Growth Champion* is one of the most important economic books of the year, and certainly the most important Polish summary of the thirty years of capitalism in our region. And this even if only because it provides excellent material for a serious discussion, which is so sorely lacking. After such a pronouncement, in an ideal world Marcin Piątkowski would probably become the chief economist of Polish liberals (both conservative and progressive), and his Warsaw Consensus would be the basis for the economic program of the Civic Platform (which today does not have one). In the real world, it remains to be hoped that his claims and proposals will boost the anemic discussion around the thirtieth anniversary of the political transition, as well as the Polish and Central European struggles with development and a peripheral status.

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# Heart of Europe on the Periphery

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**The collapse of communism opened a new way for the post-1989 political elites and the media to de-historicize and distort such fundamental concepts of democracy as liberalism, feminism, socialism and human rights.**

COLIN CROUCH

**We—Hungarians, Czechs, Slovaks, Poles—have an inferiority complex. This is a shared feature. Being aware of our shared inferiority complex can liberate us from it.**

CSABA GYÖRGY KISS

**Let's be honest: Social media platforms are very slow when it comes to combating disinformation, but they are taking measures. RT and Sputnik are not as prominent as they once were.**

DAVID ALANDETE

**A large part of the capital owned by the rich is not held in physical assets but in some form of financial assets. Financial wealth is more liquid and for this reason it can easily be moved to tax havens, where it can benefit from lower tax rates.**

HANNA SZYMBORSKA

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