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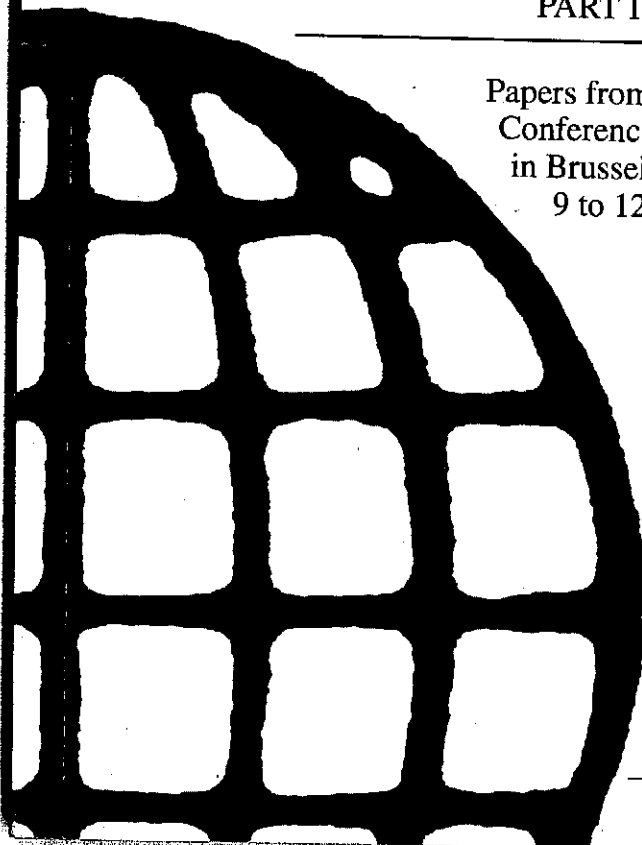
PAPER 284

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European Security after the Cold War

PART I

Papers from the 35th Annual
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Economic and Social Stability in Central and South-Eastern Europe: Preconditions for Security

PROFESSOR LASZLO VALKI AND DR LASZLO CSABA

One of the lessons to be drawn from the last three or four years of Central and South-eastern European history is the difficulty of foreseeing and explaining the developments there compared to during the Cold War when such concerns were relatively predictable. Nevertheless, this lesson – apart from the state of war in the former Yugoslavia – need not necessarily be painful. Most prognoses regarding the impact of economic and social processes on the 'security of the region were pessimistic. One of the authors of this paper, for instance, came to the conclusion three years ago that the new democracies would be unable to rid themselves of the legacy of socialism in the foreseeable future and accomplish the following tasks simultaneously: reverse the trend of mounting foreign debts; halt inflation; privatise their vast property holdings; halt their decline in economic production; ensure a continuous energy supply; find alternative markets after the collapse of the Council for Mutual Economic Assistance (COMECOM); reorganise their entire economic administration; and create a new legal system suitable for a market economy. If the new democracies do not accomplish these tasks simultaneously, they will face severe economic depression, with all of its political consequences, including social unrest which could lead to the emergence of nationalism and even to armed international conflicts.¹ While serious economic decline has been experienced in all former Warsaw Pact countries, no overall social unrest has broken out so far in any of them and their international differences have not degenerated to the level of conflict.

Adjustment crises with divergent trajectories

All economic data show a considerable decline in each country in the region since 1989.² Some observers even compare the recent situation

Table 1: Changes in gross domestic product (GDP) and industrial production (in %, compared with the previous year or with the respective period of the previous year)

	GDP				Industrial Production			
	1990	1991	1992	1993*	1990	1991	1992	1993*
Poland	-11.6	-9.0	+1.0	-	-23.3	-11.9	+3.5	+8.0
Czech Republic	-1.9	-14.5	-7.1	-4.5	-3.3	-19.7	-16.2	-7.8
Slovakia	-1.3	-16.4	-8.3	-	-4.0	-24.7	-12.9	-14.0
Hungary	-3.5	-11.9	-5.0	-	-8.5	-19.1	-9.8	-0.3
Romania	-7.4	-13.5	-15.4	-	-19.8	-22.0	-21.8	-12.2
Bulgaria**	-9.1	-11.7	-7.7	-12.5	-17.6	-27.8	-21.7	-14.4

* First quarter of 1993

** The Bulgarian statistical office is permanently changing its figures, thus they are uncertain.

While nearly everybody expected the earliest recovery to be in the Czech Republic and Hungary, the only country which has shown growth recently is Poland, but this should not be overestimated. It is mostly due to the fact that Poland initially had an extremely low level of production. According to some experts no spectacular development is to be expected in the near future. Poland still has a few important investments in large-scale industry, whose privatisation has yet to take place, and half of its GDP comes from the private sector which is not yet modernised.

As for the other countries, the figures reflect a more realistic picture. Although Bulgarian data are a little uncertain, the basic trend of economic decline is clear. As far as further macroeconomic indicators, like inflation rate, are concerned, the figures show the relevant differences. Romania recently registered the highest inflation rate of the group, followed closely by Bulgaria. The Visegrad countries have managed to avoid hyperinflation, and price rises do not exceed what is usually termed 'moderate' inflation, but the phase of stabilisation in this group is definitely over. These rates of inflation cannot be compared to those of Russia, Serbia or Croatia which have already fallen into a deep economic crisis reflecting a failed stabilisation effort in

Table 2: Inflation and unemployment rates in 1992 (in %, compared with the previous year)

	Inflation	Unemployment
Poland	+45.0	+14.0
CSFR	+11.0	+6.5
Hungary	+21.3	+13.0
Romania	+210.0	+22.0
Bulgaria	+154.0	+14.0

The Czech Republic registered only 2.7% unemployment in 1992; this figure climbed to 3.5% in 1993, while in Slovakia it was 12%. Since the separation, the inflation rate both in Slovakia and in the Czech Republic went up to 21–22%, due to one-off factors (i.e., introduction of new tax systems).

As far as unemployment is concerned, Romania heads the list in 1993, followed by Poland and Bulgaria, Hungary and Slovakia. It would be misleading to compare these figures with those of the industrialised nations; it has to be borne in mind that all socialist countries started some time ago from a level of full employment or even from labour shortage. Unemployment is related to a low level of economic activity and to regional immobility (due to the backward infrastructure and crippling rates of social security contribution paid by employers). In these countries there is no obvious way to overcome these factors. The technological modernisation of assets will only aggravate this disequilibrium because of the labour-saving nature of this process, as observed in Western Europe during the 1980s. The Irish and Spanish phenomenon of large-scale long-term employment, especially among the young, is known to put a heavy strain on the social fabric.

The recent, surprisingly low level of unemployment in the Czech Republic (3.5%) is merely due to the fact that the country is slow in closing down its inefficient factories. The law on bankruptcy has only operated since April 1993 and the early privatisation by vouchers did not bring about a fundamental change in enterprise governance. Thus, in the coming years, major growth in unemployment in the Czech Republic has to be counted on too. At the same time, unemployment has already peaked in Hungary and Poland.

The above tables do not show a more general phenomenon, namely that the Central and South-eastern European countries have missed the technological revolution of the 1970s (e.g., renewal of production bases, rapid innovation, computerisation of business management and

telecommunications and transport, etc.). The countries of the region have pursued a negligent environmental policy for which they will have to pay (some of them have already started) in the very near future.³ All of this means that the decline cannot be ascribed to the consequences of systemic changes only; the decline in economic performance started earlier. That is why, for example, Hungary's industrial production fell by 30% between 1987 and 1992, and private consumption declined by 10%.

The general recession in the industrialised world has undoubtedly contributed to the decline in the Central and South-eastern European countries. Had these countries enjoyed a more prosperous business environment, they would have been able to develop alternative markets in the West, thus increasing their exports and improving the balance of payment of their national economies.

A specific problem area is emerging in 1993: the foreign trade balance. While in 1991–92 the Central European countries regained many markets they had lost through the collapse of COMECON or found new buyers for their output, the one-time gains from reorientation and trade liberalisation have now been exhausted. The trade balance – much less the current account – of the Visegrad countries is indicative of the serious repercussions of the economic lull in the European Economic Area for small and trade-dependent open economies. Central European coaches have been linked to a locomotive which has now come to a halt. It would be naive to assume – on the basis of abstract models – that Central European or even Nordic countries could grow out of the crisis on their own initiatives, irrespective of their major markets, which are in Europe.

Against this background, the petty protectionism exercised by both the European Community (EC) and European Free Trade Association (EFTA) countries against exports from the outside world, but including those with whom they have just entered into a special relationship under the European or free trade agreements respectively, gives ground for grave concern. If the elementary logic behind basic economics holds, either capital, labour or commodities have to flow across borders if price differentials remain greatly unequalled. Since this certainly is the case, it is hard to find any deeper logic other than administrative convenience and the shunning of internal reforms to justify a protectionist approach. Without an opening of European markets, including those of the EFTA countries, or without erecting new Berlin Walls, the disequilibrium inherent in price differentials (reflecting different factor endowments) cannot but result in the flow

Table 3: Debt in 1992

	Gross Debt in billion \$	Per Capita Debt in \$
Poland	44.3	1,160
CSFR	9.3	590
Hungary	21.4	2,090
Romania	2.0	86
Bulgaria	12.0	1,330

The figures in Table 3 need to be interpreted with some caution. Contrary to the first impression, the low level of Romanian debt reflects that country's continued distrust of financial and direct investors, whereas Hungarian debt has stopped increasing in the last four years. High levels of debt exist, and inflow of foreign direct investment reached \$5.5bn by July 1993. Meanwhile, Bulgaria's unilateral moratorium on debts, declared in April 1990, has severely backfired. The inability to reach a compromise with lenders exacerbated the balance of payments constraint on a country conducting one of the toughest and most successful stabilisation policies in the region.⁴

Meanwhile the low level of indebtedness provides considerable leeway for the Czech government to pursue more expansionist/growth-promotion policies when it deems necessary. Modernisation and structural change in that country will possibly induce more debt without causing more instability, given that systemic transformation seems to be on the right track. More generally, if and when any of the Central European economies starts to recover in terms of domestic output, a deterioration of the external balance is basically inevitable. This, however, is healthy rather than destabilising, since it is a consequence of overcoming the adjustment crisis and of maintaining an open trade regime, both conditions for modernisation. Unless lessons from adjustment programmes of developing countries are forgotten, there is no need to be particularly alarmed by the Polish trade deficit of \$1.1bn in the first half of 1993. Meanwhile, the Hungarian figure of a \$2.3bn trade deficit in the first eight months of 1993 is an obvious sign of delay in adjusting the exchange rate. Still, the level of reserves covers six months of imports, and the trade deficit, declining savings and growing industrial production (and consumption and investment), taken together, are signs of a textbook-like early phase of modest

But others cannot feel comfortable, either. Slovakia is in enormous need of capital inflow after its separation from the Czech Republic, thus its indebtedness will rapidly grow in the future (its internal deficit has already become rather high). Romania receives foreign investment at a very low level which does not provide the necessary take-off base for the economy. Yet, there is no sign that the Romanian government would be receiving large flows of capital in the coming years.

As far as the energy supply is concerned, initially, most countries had to rely on Soviet oil and gas deliveries amid fear that these could be cut at a certain moment for political reasons. This has not happened in 1990–93, but the danger is still there, even after the dissolution of the Soviet Union. The fact that the payments are made in hard currency – mostly in cash – ensures the continuity of deliveries. Yet it is necessary to provide for alternative resources; the reopening of the Adriatic oil pipeline and the construction of a link between the West- and Eastern electrical networks is unavoidable.

In reorganising its economic administration and legislation, Hungary had a relative advantage. It established the most important legal and institutional framework as early as 1988–89, still under the Nmeth government. All other countries began their reorganisation in 1990 and, as yet, have not accomplished their task.

One of the problems they had to face was whether and/or to what extent the old elite should be kept in administration. Even in Hungary, where changes in the composition of the elite also started earlier, the task was difficult to carry out. In all single-party systems there was one elite only, which could not simply be replaced by another. Hiring or appointing reliable new people raised the danger of employing incompetent amateurs and/or overly ambitious civil servants. On the other hand, it was also hard to live with the old, not necessarily competent nomenklatura. Thus, depending on the political past of the individual government, various attempts were made to solve the problem. Radical changes took place in the highest and mid-level ranks in the Visegrad countries. In Romania and – to a lesser degree – in Bulgaria a large proportion of the old nomenklatura have succeeded in maintaining high positions in government, thus the replacement of the compromised elite has taken place in a half-hearted way at best.

At the same time the Polish government failed when it tried to carry out lustration, although it meant to dismiss former agents only. The ex-Czechoslovak government also ran into serious trouble when it tried to do the same. In Hungary, the parliament has not yet managed to pass a law on lustration. Such attempts proved to be counterproductive, serving usually the interest of particular parties and had nothing to do with

Social and political stability in Central and South-eastern Europe

The inevitable economic recession is lasting longer than anticipated in Central and South-eastern Europe, although there are considerable differences among the individual states. Three Visegrad countries (Poland, the Czech Republic and Hungary) have much better chances of reversing the slump than Slovakia, Romania and Bulgaria. But economic conditions and social relations have been strained for a long time. Moreover, no obvious solution to these problems is in sight. Early hopes for quick fixes of various sorts proved to be ill-founded. Shock therapies could either not be implemented in reality, as in Russia or Romania, or, when they were implemented, their costs exceeded expectations while the benefits were significantly behind schedule. It is becoming common knowledge – not least because of the horrendous costs of German reunification – that redesigning the economic systems, restructuring the ossified Eastern economies and creating conditions for sustainable growth cannot, in fact, be reduced to a conventional stabilisation programme. The nature of the task is such that even assuming the full-scale success of stabilisation, it will take decades to bring about the conditions of sustained social, economic and ecological equilibrium in the successor states to the one-time Warsaw Pact.

Nevertheless, the first wonder is that, despite all this, the six countries have managed to cope so far with enormous difficulties, have succeeded in avoiding economic collapse and have learned to live with severe economic circumstances. The Western community – through its international institutions (such as the International Monetary Fund) and bilateral contacts – undeniably contributed to the adjustment of these national economies.

As a result of recession, the standard of living has decreased in the six countries, although to varying degrees (it is difficult to establish this in the case of Romania where the Ceauçescu regime simply ruined the normal conditions of human life before 1989). According to recent sociological research, roughly 40% of people live below subsistence level in Poland, while in Hungary it is about 20%. This figure will also soon be high in Slovakia. The authors of this paper are not aware of such research in Romania and Bulgaria, but the extremely high inflation rates in the two countries – not mirrored by a similar increase in earnings – points towards similar conclusions. A further problem is the growing disparity in the standard of living and consumption among various strata of the population, especially the growing gap between the rising income of new entrepreneurs and the eroding income of employees.

Decreasing living standards, growing unemployment, adventurous

society is always accompanied by rising crime rates. Even in the more consolidated Central European countries, sudden changes occurred. In Czechoslovakia, during the first year after the 'velvet revolution', the crime rate doubled; in Hungary reported criminal offences between 1987 and 1992 increased by 233%. Furthermore, while victims of violent crime were then mostly relatives or acquaintances of the offenders, now crimes are increasingly committed by strangers or casual acquaintances. Thus, the growing crime rate contributes to a growing perception of public insecurity.

The supply of agricultural and industrial goods in the shops has greatly improved in every country since 1989. Before that – apart from Hungary and Czechoslovakia – there were considerable shortages; indeed the Bulgarian and Romanian situation was catastrophic. After 1989, the most important consumer goods have (re)appeared on the shelves, and even Western luxury goods have become available. Unfortunately, there is a wide gap between the price of many goods and the purchasing power of a broad stratum of the population. Of course, these are the obvious results of the introduction of a market economy, but it has to be borne in mind that all former socialist countries started from an egalitarian income distribution with all its socio-psychological consequences.

The second surprise in Central and South-eastern Europe is that the high inflation rate, the high level of unemployment, increasing homelessness, the decreasing standard of living, the growing disparity in income and the rising crime rate has not resulted in a political explosion. One of the reasons for this is that most of these societies started from a low level of development under socialism. The other reason is that some opposition parties did not take the opportunity to pursue an explicit policy against the government by referring to the unavoidable decrease in the quality of life of many citizens. (Interestingly enough, it was exactly the populist wing of a governing party, for instance, in Hungary and Romania, who blamed the government for the growing unemployment, etc.) Indeed, in some cases, public dissatisfaction became politicised in the usual democratic fashion: opposition parties criticised the government for its mistakes in economic policy, but not necessarily for the results of the historic transformation.

Of course, this does not mean that no political action was taken outside the parliamentary framework for the above reasons. The Hungarian government faced, for example, a blockade of taxi drivers in October 1990 during which all major roads in the country were closed. The whole country was crippled for four days because of substantial opposition to the government's decision to raise petrol prices over-

drivers. However, the responsible police commander and the President – as a commander-in-chief of the Army – refused to issue such an order. Instead, an unprecedented crisis management worked: the representatives of the government, the taxi-drivers and trade unions met and reached a compromise in public during a long, televised negotiation. In the other countries a number of strikes were organised, sometimes legally, sometimes not. The miners' and railwaymen's strike in August 1993 in Romania seemed to be especially bitter. Yet no danger of a general strike or similar was reported in any of the six countries.

As far as political power itself is concerned, much has been written both in the scientific and journalistic literature about the power vacuum which has allegedly characterised the situation in Central and South-eastern Europe after the dissolution of the Soviet empire. Those who wrote about such a vacuum were very likely thinking in terms of previous historical times and regions, when the disappearance of a major (say, colonial) power brought about by definition the emergence of another power and its intrusion into the region where the vacuum had arisen. This assumption implies that at the time of the vacuum, the hostile groups immediately made use of the opportunity and went on to fight against each other. Thus, finally, the new colonial power brought some peace to the region too.

This assumption could not be applied to Eastern Europe with regard to the relationship among the states of the region. In 1988–89, however, a historical danger might have emerged, namely a power vacuum within the former socialist states when the ruling communist parties failed to maintain their power. After the collapse of the highly centralised power structure, chaotic situations could easily have developed. The danger was less in Hungary and Poland where the former systems were not nearly as rigid as in the other Central and South-eastern European countries, and the leaders of the ruling party had started negotiations with the opposition and agreed either on handing over the political power to the emerging new parties peacefully or at least on sharing it. In these cases civil society was in a sufficiently advanced stage to adapt to parliamentary pluralism. In the South-eastern European countries the traditional integrating role of the army played a useful part; this was added to the support given by the surviving nomenklatura structure. It was not very democratic, but nonetheless positively stabilising. A further factor played an important role: the impact of Western democratic patterns. During the previous decades, the nations of these regions, including their ruling elite groups, could not avoid or be prevented from learning about the basic institutions of Western democracies and the way they work. It cannot be asserted that

governing their countries according to an ideal (i.e., non-existing) pattern of a Western democracy. But at least they did not use massive force against their adversaries and formally kept the parliamentary rules. None of the six countries has become politically destabilised for a substantial period of time.

The only exception occurred in Romania, where in May and June 1990 large-scale anti-governmental demonstrations took place at the university square in Bucharest.⁵ On 13 June the police moved in, but the demonstrators occupied the television station and the students went on strike. The next day, spontaneously, thousands of coal miners were brought to the capital where they virtually beat down the demonstrators. On 18 June all demonstrations which did not have prior permission from the authorities were prohibited. On 19 June the President of the Republic took the oath of office, appointed a new prime minister, and law and order was restored in Romania.

Avoiding a power vacuum did not mean, of course, that the Central and South-eastern European political forces which governed after 1989 remained stable.

In Poland, many changes in government grew out of a negotiated settlement between the Communist Party and Solidarity. Since satellite parties deserted the communists, the first government was formed under the leadership of Solidarity. Later considerable conflicts occurred in the movement which led to second elections in 1991, when 29 parties gained seats in the new parliament. It was difficult to govern with such a polarised party structure, and after Mazowiecki, Bielecki became prime minister, who was later replaced by Olszewski. In the meantime, Solidarity also fell apart and Hanna Suchocka became the next prime minister. However, the last government also lost the confidence of parliament, and in September 1993 the country held its third election in four years. The current coalition of the Peasant Party and the Democratic Union holds a comfortable majority in parliament, but the complete lack of representation of rightist and nationalist parties may make extra parliamentary political actions more probable in the future.

Czechoslovakia, after its first free elections in 1990, seemed to be politically stable. Yet its unexpectedly gained freedom did not result immediately in the establishment of a lasting multiparty system. The (Czech) Civic Forum and the (Slovak) Public Against Violence have more or less dissolved and new parties emerged after 1990, leading to the second elections in 1992. As a consequence, not only has the composition of the governments changed, but also their attitude to the federation. The idea of separation seemed at the beginning rather

As far as existing ethnic controversies are concerned, it must be underlined that these alone could not constitute any security risk whatsoever.

As a consequence of the political impact of the ethnic war in Croatia and Bosnia and of the alarming news of growing nationalism in other countries, many observers came to the conclusion that disputes over minorities might lead to undesirable tensions, even to armed conflicts in the region. (Although, it may well be that, psychologically, the war in the Balkans is playing a preventive role in other Central and South-eastern European societies.)

Most references are made in this respect to the tension between Hungary and two of its neighbours, Romania and Slovakia. In fact, all three countries have pretty good memories. One part of the new ruling elite in Hungary recalls the Trianon Peace Treaty of 1920 which deprived the country of 70% of its territory and 60% of its population. Some three million Hungarians fell under foreign rule and became victims of the suppressive minority policies of Hungary's neighbours. For the 20 years after Trianon, the Hungarian government fought for both the observation of the rights of its minorities and the revision of the peace treaty. Not surprisingly, only Germany and Italy were ready to support Hungarian territorial claims. With their direct assistance Hungary regained some of its former territories from Czechoslovakia in 1938 and from Romania in 1940 by the first and second Treaties of Vienna (rather than through the use of military might). That part of history is recalled repeatedly by the leaders of the latter countries and serves as a point of reference for their complaints about the rebirth of Hungarian revisionism.

They also find food for thought in József Antall's famous declaration that he was, as it were, in spirit, the prime minister of 15 million Hungarians (i.e., also of those Magyars who live outside the country) and in the extreme statements of hardline revisionists of the need to revert to Trianon.⁶ They further complain about the controversial dispute in the Hungarian parliament on a stipulation in the Grundvertrag between Hungary and Ukraine (according to which both parties renounce for now and in future any territorial claim). This favourable development was, however, somewhat overshadowed by the subsequent official statement that this stipulation could not serve as a precedent in relations with other neighbours. Bratislava also deplored Hungary's threatened veto against the admission of Slovakia to the Council of Europe if the latter did not improve its minority rights policies (including the compulsory 'Slovakisation' of family names and the abolition of bilingual posters and the bilingual naming of

On the other hand, the Hungarian government does not welcome the fact that minority rights are not yet fully respected in Slovakia and Romania.⁷ It found it difficult to comprehend, for example, why the Hungarian name-plates on the roads leading to Hungarian-populated villages were recently removed in Slovakia, why the Hungarian university that was closed by Ceauçescu in Cluj (Kolozsvr) cannot be reopened, or why some autonomy cannot be provided for those Magyars who live in a cluster in either country.

Curiously enough, those who espouse revisionist aims in Hungary as well as those who fear such revisionism are misreading contemporary history. First, the overwhelming majority of Hungarian citizens do not buy revisionism at all. Second, the ethnic Hungarians themselves are not struggling for reunification with Hungary. Third, despite what may have been pronounced in Hungary, the government has not taken any action in the revisionist direction at all. Fourth, even if such action was taken, an economically and militarily weak Hungary alone would not pose any serious threat to its environment. Furthermore, it would not find any assistance from other European states (unlike in 1938 or 1940). On the contrary, Hungary would be confronted by serious countermeasures on the part of the Western community. The West may not have a genuine influence on developments in the former Soviet Union or Yugoslavia. However, its influence in Central and South-eastern Europe cannot be ignored.

Many observers are unaware of the sheer impossibility of pursuing irredentist political aims in today's Europe and are confusing talks and emotions with actions and policies.

Consequently, it is highly unlikely that the forthcoming parliamentary elections will open the doors to demagogy and xenophobia or that Hungary might soon become preoccupied with a national, rather than democratic, agenda, giving rise to a new threat to destabilise the Central European region, as stated in the latest IISS *Strategic Survey*.⁸

The most convincing argument in that respect was provided very recently by Hungary and Slovakia who have had the most severe international dispute in the region since 1989 over the Gabcikovo-Nagymaros project.

The two countries inherited from the communist regimes a gigantic common system of hydroelectric power plants, canals and reservoirs on the River Danube which was to be constructed in the 1980s, mostly on Slovak territory. After long deliberation, because of the growing awareness of the damaging environmental consequences of the operation of the plant, the Nmeth government suspended work on the Hungarian side. After the systemic change, the new government initiated

neither Bratislava nor Prague were ready to compromise with Budapest. Then, in 1992, Hungary withdrew from the project and terminated the respective bilateral international treaty. This action was condemned by Bratislava. However, at that time Slovakia had already been working intensively on another solution aimed at accomplishing the project, by diverting the border River Danube to Slovak territory, unilaterally. The diversion took place in October 1992. As a consequence, Hungary has lost about 40km of the Danube as a navigable border river. While the rightfulness of the termination of the treaty could be subject to legal dispute, the diversion clearly constituted a grave and unprecedented violation of the international law and territorial integrity of Hungary.⁹ All this notwithstanding, no countermeasure was taken by Budapest after the diversion. The government did not even take into serious consideration the application of any sanctions against Slovakia. Instead, it accepted the diplomatic mediation of the European Community, which resulted in a bilateral special agreement to bring the case before the International Court of Justice.

It is hard to conceive of a more critical dispute – short of armed conflict – between two nations than this one. All the more so since they were already involved in another dispute over minorities. Now, the conclusion of the special agreement on solving the dispute by the most proper legal means (the first time in the history of Central Europe) allows us to assume that other conflicts in the region may not lead necessarily to a threat to international stability either.

With regard to other ethnic problems, Bucharest perceives a positive threat to its territorial integrity in connection with Transylvania. It considers self-evident that Moldova will sooner or later return to Romania. Although no armed conflict can be feared in that area, the Romanian aspiration might cause some tensions with Ukraine and Russia.

In Poland, only 3% of the population belong to various minorities, while a higher proportion of Poles live in Lithuania, in Belarus and in Ukraine. Lithuania pursued a rather discriminatory policy towards the Poles which, again, has caused some tensions between the two countries. However, these tensions do not constitute a security risk. The same could be asserted with regard to those Germans who live in Upper Silesia, even if some right-wing German organisations have become more active over the past years.

Conventional considerations on the migration issue should perhaps be avoided. For one, there must have been other considerations than sheer politicking as to why Western nations have fought since 1975 for

than abstract evidence needs to be relied upon when assessing the potentials of these flows. Analyses of the United States, a country known for uniform cultural conditioning and a high propensity to move, with no language or legislative barriers to migration, show that an income difference of 1:3 was the point which triggered sizeable migration. Above that, each percentage of income differential produced 0.026% migration.¹⁰ This does not support the apocalyptic visions of Central Europeans flooding over to the other half of Europe, since the differences in standards of living, measured realistically, through purchasing power parity, do not show a larger difference than 1:2.5 or 1:3. Further, most Central European countries already opened up years ago, and the movement of people does not constitute a new challenge. Last but not least, when basic human and nationality rights are observed, people are not known to move on a massive scale: Ireland, Finland, Portugal or southern Italy have not become depopulated in recent decades.

Returning to the original and more substantial question, how can concepts openly disregarding the aspirations of transforming countries, or the policies of minimising the consequences of the capitalist revolutions in Central and South-eastern Europe for the West, continue to enjoy so much respectability in important decision-making circles? European security can only be a structured one, integrating the interests and deliberations of all nations. Not necessarily in a single grand design, the diversity of the situation in the individual countries *per se* cautions against reliance on such a design. However, a concept based on an automatic, self-propelling economic recovery in transforming countries, or on keeping them in the waiting room for ever, would surely be inconsistent with the new post-totalitarian realities. These realities include a continued presence of good news and bad news. Good news, conventional military conflict outside Russia and the former Yugoslavia, can be safely excluded from the European scenario. Bad news, the economic crisis following the collapse of the empire, will be a protracted one, and the ethnic issue will continue to exist.

Avoidance of grand schemes may imply more flexibility and readiness to pay attention to detail, as well as facts which may not be to strategists' liking. Should prospects of integrating a Central or South-eastern European country be made conditional on progress made, say, by White Russia in any walk of life? Should the one-time UN methodology indeed justify putting Central and South-eastern European coun-

continue to treat the Maastricht Treaty as its starting point, when neither monetary nor economic union or even less convergence criteria seem to be in the making? In this context the immediate repercussions of continued exclusion of Central and South-eastern European farming products or the repercussions of enforcing Nordic social legislation in countries with southern levels of productivity should be faced directly. And while the game as a whole remains multivariant and open-ended, one thing can be established with a very low risk of error: policies aimed at conserving rather than adjusting backward production, employment and thinking structures are directly conducive to less rather than more European security. Fighting the undercurrent of fortress Europe may thus be a way of overcoming many of the threats triggering a fortress mentality. In an increasingly interdependent and globalising Europe, countries of the former East should not be left to fall free. Those who qualify deserve admission, others assistance, in the interest of Europe as a whole.

Notes

¹ Laszlo Valki, 'Eastern and Central Europe in the New Security System', in Bo Huldt and Gunilla Herolf (eds), *Towards a New European Security Order*, Yearbook 1990-91 of the Swedish Institute of International Affairs (Göteborg: MH Publishing, 1991), pp. 232-33.

² The following figures are taken from Kopint-Datorg's *Economic Trends in Eastern Europe*, vol. 2, no. 2 (Vienna and New York: Springer, 1993), and Tibor Palnkai, *The State of the Central and East European Economies* (Budapest, 1993), unpublished manuscript.

³ See Palnkai, *Central and East European Economies*, and Laszlo Csaba, 'The Bumpy Road to the Free Market in Eastern Europe', *Acta Oeconomica*, vol. 42, nos 3-4, 1990.

⁴ Tatiana Houbenova, 'Liberalization and Transformation in Bulgaria', in Laszlo Csaba (ed.), *Privatization, Liberalization and Destruction: Recreating the Market in Central and Eastern Europe* (Aldershot and

⁵ In March 1990 massive inter-ethnic clashes took place in Transylvania, with the police heavily involved in the disorders.

⁶ Some of them were the leaders of that right-wing group dismissed from the Democratic Forum.

⁷ About 600,000 ethnic Hungarians live in Slovakia and two million in Romania, making up roughly 10% of the population in both countries.

⁸ *Strategic Survey 1992-1993* (London: Brassey's for the IISS, 1993), p. 107.

The quoted allegation was heavily criticised in Hungary both by coalition and opposition parties. Besides, the suspicion that an armed conflict might break out between Hungary and Romania was not new at all - it emerged immediately after 1989. States that have potential irredentist ethnic claims should not be militarily stronger than their neighbours. Thus, Hungary is - and should be - militarily weaker than Romania, which deters irredentism over Transylvania. See Jack Snyder, 'Averting Anarchy in the New Europe', *International Security*, vol. 14, no. 4, Spring 1990, p. 33.

exaggerated a little when asserting on the same page that Hungary was acting suspiciously tough with Slovakia on such issues as the Gabčíkovo dam.

¹⁰ E. Görgens 'Der Arbeitsmarkt in

Integrationsprozess', in H. Gröner and A. Schüller (eds), *Die Europäische Integration als ordnungspolitische Aufgabe* (Jena, Stuttgart: Fisher Verlag, 1993, in print).