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### Readings for the Colloquium

“Communist Ideas and Influence after 1989” by Dr Ljubo Sirc CBE, *CRCE Briefing* July 2002

“Russia’s New Offensive in Central Europe” by Geza Jeszensky, April 2009

“The Resistible Rise of State Control in the Russian Oil Industry” by Philip Hanson, *Eurasian Geography and Economics*, February 2009

“The Assault against Yukos”, *The Quality of Freedom: Khodorkovsky, Putin and the Yukos Affair* by Richard Sakwa, Oxford University Press, May 2009

“From Competition to Collaboration: Strengthening the U.S.-Russia Relationship” – Testimony to the House Committee on Foreign Affairs by Andrei Illarianov, February 25<sup>th</sup> 2009

“The Medvedev Thaw: Is it real? Will it last?” – *Testimony by Bill Browder to the Commission on Security & Cooperation in Europe*, June 23<sup>rd</sup> 2009

“Moscow Pressures Hungarian MOL's Russian Joint Venture” by Vladimir Socor, *Eurasia Daily Monitor*, July 20<sup>th</sup> 2009

“Divergences within European Politics with regard to Communist Totalitarianism” by Sandra Kalniete, *Crimes Committed by Totalitarian Regimes*, 2008

“Transition from the “Gulag Empire” to the Western Civilisation – Issues of Remembrance and education” by Emanuelis Zingeris, *Crimes Committed by Totalitarian Regimes*, 2008



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## Introduction

**FROM POST-COMMUNISM TO WHAT?**

Andrzej Brzeski

There is much ambivalence in Europe's relation to communism and communists. Indeed, as Ljubo Sirc puts it,<sup>1</sup> in this respect, "confusion reigns supreme." This couldn't but negatively affect the post-communist transformation. But although the process of decommunization of Eastern Europe has been uneven and incomplete, the last two decades brought significant change.

The all-embracing state ownership and central planning have given way to private ownership and markets. Each case is different and deserves a monograph. But, imperfect as it is, a summary index of "economic freedom," puts things in perspective.<sup>2</sup> Of the 141 countries surveyed in 2009, the post-communist ones were ranked as follows:

Estonia	11
Slovakia	26
Lithuania	35
Hungary	38
Latvia	42
Armenia	48
Czech Republic	54
Slovenia	64
Romania	73
Poland	74
Russia	83
Serbia	83
Croatia	95
Ukraine	128

Questionable as such numbers are, they give some notion of the evolution of the once communist countries when we consider that, say, Argentine's index is ranked 95, Brazil's 111 and Venezuela's 138. And that Estonia, Slovakia, Lithuania and Hungary are "economically more

free” than Sweden, Portugal, Belgium Greece and Italy. The economic transformation has been undeniable.

Political changes made this possible. Democracy, however flawed, has been replacing the Marxist-Leninist state of the past. A degree of democracy ranking of 150 countries in 2009 reflects the progress.<sup>3</sup> According to this Estonia was in the lead, as 16<sup>th</sup>, followed by:

Slovenia	18
Lithuania	24
Czech Republic	24
Hungary	26
Poland	27
Slovakia	28
Latvia	38
Croatia	44
Bulgaria	45
Serbia	49
Romania	51
Ukraine	68

Disappointingly, Russia was 134, even below China, while the Scandinavians, Swiss and Dutch were predictably on top with Myanmar (Burma) at the very bottom. Obviously, one cannot take these numbers uncritically. But they do give us an idea of the direction and pace of change. The communists may still be hanging on to power and, in some countries, including Russia, there is more than a touch of kleptocracy, but the days of “dictatorship of the proletariat” are gone, one hopes, forever.

The question remains, what next? How will the post-communist countries evolve? A Hayek/Friedman minimum state capitalism, which in the early 1990s was held up as an ideal, has lost some of its allure. There are too many problems that only a politically organized society can tackle. A mixed economy welfare state seems more likely. The details and timetable are yet to emerge.

- (1) Ljubo Sirc, “Communist Ideas and Influence after 1989,” p. 7.
- (2) Cato Institute/Fraser Institute, Economic Freedom of the World. 2009 Annual Report. The index gives equal weight to five aspects: (i) size of government (expenditures, taxes and enterprises), (ii) legal structure and security of property rights, (iii) access to sound money, (iv) freedom to trade internationally and (v) regulations of credit, labor and business.
- (3) <http://www.worldaudit.org/democracy.htm>. The index reflects the openness of the electoral process, freedom of the press, and the degree of corruption.