

**T**HE YEAR 1989 WAS A TIME OF REVOLUTIONARY EUPHORIA IN EASTERN EUROPE, BUT THE DAYS FOLLOWING a revolution are rarely easy. This has been especially true for most of the East bloc countries. Democracy, the prize most cherished by the social movements in each of these nations, remains fragile, its future far from everywhere assured.

In a 1989 Canadian interview, Professor Bronislaw Geremek, a Polish politician and leader of the parliamentary group that came out of the Solidarity labour movement, rightly pointed out that even if several countries had made the transition from dictatorship to democracy, none had yet made it while moving from a centrally planned economy to a market-oriented one. The problems and risks and challenges are of a completely new order.

Almost everywhere in Eastern Europe, the backlash created by the wave of revolutions has seen foundering Communist parties pulling down with them not only the political and economic model of Stalinist socialism, but indeed the whole idea of democratic socialism, or even social democracy. Maximum privatization and the supremacy of the law of supply and demand have become the order of the day. Among the great majority of Eastern European intellectuals, most of whom are ex-Communists, one senses the emergence of a new

orthodoxy (replacing the old one) which advocates an extreme economic liberalism and is regarded as a universal panacea.

Those who support this radical liberalism are well aware that the complete adoption of the rule of market forces, and a rapid integration of Eastern European economies into the world market, can only worsen their situation in the short term by creating runaway inflation and causing hundreds of factories to shut down. These enterprises are unaccustomed to competition and unable to adapt, and the result will be widespread unemployment and considerable social injustice. Yet the defenders of this policy consider it the inevitable price that must be paid, maintaining that there is no other way and that things will soon change for the better.

HERE, BRIEFLY, IS HOW THE SITUATION APPEARED IN FOUR EASTERN EUROPEAN nations I visited in April and May of this year. It seems reasonable to begin with Poland, since it is home to the oldest non-Communist government, dating from September 1989. Poland has also been the quickest to implement a completely free-market system, so clear-cut results are already evident and several possible political consequences are beginning to emerge.

According to official Polish government statistics, the standard of living for the average Polish family dropped forty percent in a five-month period – from September 1989 to March 1990.<sup>1</sup> The figure is striking, especially since the standard of living in Poland had already declined significantly since the beginning of the decade. The recent

dramatic deterioration has been particularly noticeable since January 1990. The easing of almost all price controls brought the rate of inflation in that month to an annual rate of more than one thousand percent.

At the beginning of the summer, there were some 350,000 unemployed, a relatively small number for a country with a population of thirty-seven million. However, if the figure seems low, it is because a large share of the unemployment has been absorbed “collectively,” if you will. Here is how it worked. The shock therapy administered to the Polish economy from January onwards led to a severe recession that saw many companies reduce their total production by twenty-five to fifty percent. Instead of extensive layoffs, workers agreed together to reduced working hours for everyone. It is clear that this situation cannot continue for any length of time and that a genuine restructuring of industries must take place. Most Polish economists expect a sizeable wave of unemployment in the second half of 1990.

IT IS ABSOLUTELY REMARKABLE THAT IN SPITE OF EVERYTHING THE MAZOWIECKI GOVERNMENT HAS BEEN ABLE UP to now to retain an impressive popular standing, a legitimacy so great that the Communist party's successor has not dared to break openly with it. Popular discontent is mounting, however. At the beginning of January, the government promised an economic improvement over the following six months. The deadline is past, and rather than an improvement, there is good reason to expect a decline.

For several months now, Lech Walesa has been finding it increasingly difficult to contain the dissatisfaction among his followers and to suppress the numerous strikes that have cropped up on the local level. This shaky situation, along with his own personal ambitions, explains the still embryonic war that he has begun to wage against the government, a government that was formed by his own advisors and, for all intents and purposes, appointed by him.

Because of the tarnished reputation of the former Communist party, there is no real left-wing option in Poland. The party has tried to get back into favour by calling itself the Social Democracy Party of the

## EASTERN EUROPE

# AFTER THE REVOLUTION

*For Eastern European countries last year's euphoria has given way to harsh economic and political reality.*

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