# WHY LOST

Explaining
the Rise and Fall of
the Center-Right Parties
in Central Europe,
1996-2002.

PETER UČEŇ and JAN ERIK SUROTCHAK (editors)



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### **FOREWORD**

### PARTISAN DESIRE FOR POWER AND THE VIRTUES OF ALTERNATION: THE REASONS FOR THIS STUDY

The purpose for conducting this study is very simple and reflects the experience of the International Republican Institute (IRI) in the region. From 1996 to 1998, pro-reform, pro-Western and generally center-right parties and coalitions won a series of elections around Central and Eastern Europe. In Bulgaria, Hungary, Lithuania, Macedonia, Poland, Romania and Slovakia, center-right forces defeated post-Communist and national populist parties and formed new governments. All of these promised to implement long-delayed economic and political reforms and accelerate the dual processes of integration into the European Union (EU) and the North Atlantic Treaty Organization (NATO). Most of them demonstrated solid progress toward these goals. By the next cycle of elections (2000 to 2002), however, six of the seven were out of power, and in several cases (Romania, Poland and Lithuania) the center-right parties themselves were essentially destroyed.

When IRI launched its Regional Program for Central and Eastern Europe in the summer of 1999, our partners were often busy incumbents flying to center-right summits on governmental aircraft. Just a couple of years later we worked with them as with representatives of the opposition at best; at worst, some of our former partners fell into political oblivion.

While there is no reason *per se* to lament failures of specific parties as something necessarily fatal to the progress of the center-right project in the region, it is important for us to understand the factors that led to these failures. Political scientists and journalists sometimes use the term 'pendulum swing' to describe a massive and uniform pattern of incumbency change across a region, as if this pendulum effect had the power of destiny and were not supported by definable causes. Our approach, however, is based on the assumption that causes were definable and can serve as lessons for other parties in similar situations.

We are fully aware that from the point of view of democratic theory there is a strong argument in favor of alternation of power and its healthy impact on democratic consolidation.

This alternation, however, is not a blessing as such.¹ Rather, its import depends first on what kind of actors are involved, and second, on the nature of the learning process they go through when they hand power over to their opponents. For moderate, center-right parties (and for the left, as well), it is crucially important to analyze and reflect upon failures, not only based on the 'selfish' interest of avoiding similar mistakes in future cycles of incumbency, but also as a contribution to this learning process and thus to the better functioning of democracy in their countries.

For this reason, IRI has commissioned this series of country studies to analyze the reasons for the sometimes spectacular electoral setbacks suffered by center-right parties that followed their equally spectacular triumphs four years earlier. Funded though the support of the United States Agency for International Development (USAID), the ambitions of the project, rather than to produce far-reaching scholarship, are to produce a political overview that offers a space for reflection on the part of those who care about the fate of the center right in Central and Eastern Europe. This does not mean that authors lack scientific background and rigor; for all of them, the analysis of politics is their quotidian undertaking. Each of them comes from a milieu that is sympathetic to, or at least interested, in center-right politics in the country about which he has written. With one recent exception, though, none of them is actively involved in party politics on the national level.

Although IRI is pleased to have gathered these case studies together, it is important to note that the opinions expressed are those of the individual authors, not necessarily those of the International Republican Institute or anyone else involved in the publication of this book.

### IN SEARCH OF THE (MODERATE) RIGHT

How did we come to call some parties 'right-of-center' in Central and Eastern Europe after 1989? A simple recollection of the situation just after the regime changes in this fateful year illustrates the development of changes in perception in this respect.

In the early 1990s, the label 'right' applied to parties which were anti-Communist, favored free-market economic reforms and championed Western integration, Atlanticism and openness to the outside world. The term 'conservatism' was not often used, unless to describe some Christian (usually, but not uniquely, Catholic) parties. Nowadays, even though support for market-liberal reforms, Western orientation and hostility to Communism remains to a great extent at the heart of defining the moderate right in the region, the picture is richer and more complex. Today, the former two characteristics cannot be denied even to some parties on the left, and economic "reformers" are to be found left, right, and center, while Communist successor parties are sometimes more Atlanticist than their right-of-center counterparts.

Rather than inquiring into the state of the right in the region as a whole, our 'government-oriented' study rather focuses on the *moderate* or *center-right*. The reasons for this are manifold: almost exclusively, major and ruling center-right parties in the region are

Certainly, it would not be difficult to offer a plausible argument in favor of unchallenged perseverance in power (over more than one term) of strong, coherent parties endowed with a capacity to implement their programs and policies, assuming these contribute to an increase of wealth and the consolidation of democracy.

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moderate ones. Further, there is a serious body of research available regarding these parties positing a widespread assumption that alternation in power of the moderate right and the moderate left as we have known it in the US and Western Europe is the most desirable scenario for the countries of Central and Eastern Europe.

How, then, did the moderate right develop in the countries of interest in this study? In probably the most successful conceptual treatment of the moderate right in post-Communist Europe to date, Seán Hanley asserts that the group of moderate center-right parties should be clearly distinguished from other 'non-left' groupings, be they centrist liberals, national populists (such as the HZDS in Slovakia) or the radical nationalist right. (*See* Hanley, Seán, "Getting the Right Right: Redefining the Centre-Right in Post-Communist Europe," *Journal of Communist Studies and Transition Politics* 20:3, pp. 9-27.)

In general, according to this approach,

"the center right in the region... is a product of the politics of late Communism, domestic reform, European integration and post-Cold War geopolitical realignment, which...powerfully reshaped historical influences and foreign models" (Hanley, page 9). Elsewhere Hanley reiterates that center-right parties "must therefore be understood as essentially 'new' political forces, shaped by late Communism and the subsequent politics of post-communist transformation, rather than a simple throwback to the authoritarian conservatisms and integral nationalisms of the past. At the same time, however, contrary to the assumptions of some writers, the liberal, neoliberal, conservative and neo-conservative identities and ideologies adopted by such forces are more than hasty borrowings from the West or *dictas* from international financial institutions" (Hanley, page 15).

Crucial for the development of the right in individual countries was a struggle for domination of the right side of the political spectrum among various 'versions of the right,' namely among (market) liberals, (national) conservatives and European-oriented Christian democrats in the mold of the German center-right umbrella parties. An example of each of these strains of thought was not present in each country, however, so the internal back-and-forth on the center right differed widely from place to place. More details about the results of this struggle are to be found in the concluding chapter of this study.

This struggle for dominance on the right also has systemic importance. Is it possible to speak of any special role the right-of-center parties played in development of party systems as such? According to some, yes:

"the development of competitive multi-party systems in East Central Europe has been driven by the contest between parties to define the post-Communist 'right.' The stabilization of the party system reflects directly the extent to which this contest has been resolved, and this has meant that the competition between a liberal free market right and Christian national right has been accorded a prominent role. Defining the left proved easier..." (Sitter, Nick, "Cleavages, Party Strategy and Party System Change in Europe, East and West". *Perspectives on European Politics and Society* 3:3, pp. 447).

Similarly, Anna Vachudová admits that the question of whether healthy alternation in power was taking place hinged in part upon the character of the parties on the right in each country. "It depended on whether moderate right-wing parties emerged that managed to appropriate the traditional appeals of the right; and on whether they were coherent enough to govern, and

oppose, effectively." (Vachudová, Anna M., "Integration, Security and Immigration. The European Agendas of Eastern Europe's Right Wing Parties." Paper presented at the Conference of Europeanists, The Council for European Studies, Chicago, 14-16 March 2002, page 1.)

Regardless of the exact results of this endeavor to dominate the right, the ideologies of the right in the region include a number of common elements: anti-Communism, conservatism (which may, and indeed often has, included nationalism and populism), economic liberalism (support for free markets) and in many cases a more-or-less influential element of traditional Western European Christian democracy. "The ideologies of Eastern and Central Europe's new centerright combine both historic discourses and newer ideas imported from Western contexts or developed locally during the post-communist transformation" (Hanley, page 17).

Thus, to summarize,

"the 'centre-right' in the region should be broadly understood as a set of parties seeking *broad* electoral support for programmes *fusing* elements of liberalism (including neo-liberalism) and varieties of conservatism, which *balance* the demands of post-communist social transformation, modernization and Europeanization with older historical identities and ideologies" (Hanley, pages 22-23, italics added).

This is actually a very solid attempt at defining the moderate right – the right with a chance to rule and to contribute to consolidation of democracy (to contrast it, for example, with the HZDS in Slovakia, which only had broad appeal and resulting governing potential, but whose conduct in the mid- to late-1990s was irreconcilably at odds with any non-authoritarian version of democratic consolidation). In short, the moderate right is moderate precisely because it refrains from pursuing radical strategies and agendas aimed at restricted "sociologically distinct," determined, intransigent electorates with narrow interests. Instead, moderate parties of the right seek to address broad groups of voters with programs touching the national interest and presenting 'nation-wide' visions.

According to Sitter (page 435), there are three basic strategies of opposition in which parties in the region have been engaged. The first is general left-right competition between or among major parties and blocks (usually post-opposition right versus post-Communist, reformed left) typified by catch-all appeals and an attempt to compete as government versus opposition. Secondly, some parties have tried to mobilize pre-Communist identities (ethnicity, region) or narrower group interests. Characteristically, these parties have been less successful than the previous group; at best they established a secondary dimension of competition cutting across the main one. Finally, parties with radical appeals – most frequently radical-leftist, unreformed Communists, or the radical right – established themselves on the flanks of the party system, with limited capacity to influence it in a more decisive way. Needless to say, the main subjects of this study are the parties that make up the group of largely moderate potential incumbents.

### WHAT HAS HAPPENED TO THE MODERATE RIGHT AND WHY IS IT IMPORTANT TO ANALYZE IT?

One obvious reason why Bulgaria, Hungary, Lithuania, Macedonia, Poland, Romania and Slovakia were included in this analysis is the fact of the center-right's victories in the second

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half of the 1990s. The second, equally obvious fact is that with the exception of Slovakia, each failed to defend its incumbency in the early years of the next decade. This group of countries is far from homogenous. They differ as to whom the center right defeated, as well as with respect to whom it consequently succumbed. The questions of how and why this happened will be touched upon in individual country chapters and in the concluding section.

In the first respect, generally, center-right forces defeated either unreformed Communists employing nationalism and economic populism (Romania, Bulgaria) or a reformed and more-or-less moderate, post-Communist left (Poland, Hungary, Macedonia and Lithuania). Only in the case of Slovakia was it something else – national populism with semi-authoritarian leanings, which was non-leftist, but certainly not moderate.

In the second respect, four years later the parties in our analysis were mainly beaten by the counterpart they had previously defeated. In Hungary and Macedonia, the parties on the right lost to their traditional social-democratic rivals. In the case of Poland, it was a resurgent, moderate left, which in the meantime had gone through organizational consolidation. In Lithuania, it was the post-Communist, moderate left in alliance with a new moderate leftist party. The Romanian right was ousted from power by the formerly unreconstructed left, which during its period in opposition underwent further modernization and moderation. Only in Bulgaria did the right lose to a completely new challenger – an anti-establishment party of benign, centrist populism.

There are several caveats to be pointed out in case of Slovakia (which, clearly, has been included in this study as a contrasting case) which may account for its exceptionalism, i.e. the absence of consequent electoral defeat of the right. Without the intent to anticipate an explanation provided later in the chapter on Slovakia, it is useful to mention that in Slovakia the center right actually did not defeat the post-Communist left, but a national populist bloc. The proper left was the right's hesitant ally in this effort. Further, the task of 'constructing' a viable moderate right and the mission of fighting the authoritarianism of Vladimír Mečiar's regime coincided before the 1998 elections, just as well as they coincided with the center right's rule and its maintenance later. This, together with the intervening factor of pending accession to EU, may have decisively contributed to the fact that the right has not consequently yielded either to Mečiar's party (which completely lost coalition potential and was not able to rule alone) or the new, leftist-populist challenger, *Smer*.

The fact that in six of our seven cases the center right failed (sometimes dramatically) to defend its governing position will be analyzed elsewhere. What remains to mention are the direct and indirect ramifications of these defeats for the political scenes of the respective countries in general and for the center right, in particular.

There are several major trends that can be distinguished in Central and East European politics since the crumbling of the right's dominance in the late 1990s. Not all of them are a direct result of the center-right electoral failures in 2000-2002 – actually, they are rather the consequence of center right's conduct in power than electoral failures as such. On a systemic level, to be sure, in the early years of the new century we witnessed a reassertion of the left in positions of power. But there are other developments within politics in the region that are more interesting than just a pendulum swing, the most important being the entrance of the new countries into the club of democracies, dramatic developments within traditional parties, and the emergence of the new parties.

Since 2002, several recently independent countries rid themselves of authoritarian, national-populist regimes and entered the club of consolidating democracies. In Croatia, the ideologically mixed (centrist-leftist), anti-Tudjman opposition won elections in 2000 and formed a broad coalition. Its rule, however, proved to be a series of missed opportunities and scarce success. Given this, and the fact that post-Tudjman Croatian Democratic Community (HDZ) learned the lesson of moderation, the party was returned to power in the 2004 elections. This offers the optimistic prospect of future alternation in power of two major moderate blocs. Serbia also did away with the regime of Slobodan Milošević, but the democratic, non-authoritarian elements of its new government remain deeply troubled by a division separating parties on questions of the past, Serbian nationalism and attitudes towards the Hague tribunal. Cutting across the entire political spectrum, this cleavage divides also the (potentially moderate) right. Prospect for moderation in Serbia are thus rather bleaker.

Further, substantial changes and dramatic developments have occurred within the traditional parties as a result of widespread popular dissatisfaction with their policies and conduct. Electorates often have denied support to long-established parties (be they in government or in opposition). The most interesting are the cases in which popular disappointment did not lead to a vote for the traditional opposition, but rather to support for new challengers – be they radical and extremist parties emerging from the margins of political system (the Communists in the Czech Republic and Slovakia, Self-Defense in Poland, or the Greater Romania Party), or to completely new competitors (the League of Polish Families).

Finally, new parties have emerged in the region by mobilizing their support differently than the traditional actors and campaigning on new issues. This was the case when support denied to failing traditional parties went to newly emerging antiestablishment parties of either largely centrist and 'benign' populism (National Movement Simeon II in Bulgaria) or to more ideologically colored, antiestablishment critics of the right (New Era in Latvia, *Res Publica* in Estonia and the Alliance of the New Citizen in Slovakia) or left (*Smer* in Slovakia). These new claimants to power thrived on the establishment's incapability to fulfill their electoral promises and deliver effective policies. They based their campaigns on issues of public ethics, competence and political conduct and style – with corruption and neglect of public interest as a common denominator – rather than on policy issues. This strategy often struck a chord with frustrated electorates and was rewarded in the form of votes, seats and incumbency.

These and other tendencies manifested themselves also within the center-right camp, members of which often suffered serious blows and splits. Some remained major opposition forces (Hungary, Macedonia), but others did not. The Homeland Union in Lithuania went through a dramatic change, from being a dominant ruling force to near outsider status, from which it has recovered notably during the last few years. Right-of-center coalitions such as Solidarity Election Action in Poland and the Democratic Convention in Romania decomposed. Some, like the National Christian Democratic Peasant Party in Romania, fell into oblivion. The Polish right, stable in public opinion, but organizationally shaky, has even reinvented itself once again.

This leads us to the emergence of the new actors professing to be on the right – the new 'antiestablishment right.' New Era, *Res Publica*, and the Alliance of the New Citizen more or less explicitly declared their right-of-center orientation, while campaigning against the

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political conduct of the traditional right. Their success and preponderance in government posed the problem of troublesome coexistence of the new and old center right in ruling coalitions. Even though the popularity of antiestablishment parties decreases after some time in power, this 'trouble' affecting Baltic and Slovak politics seems to have the potential to play a role for some time to come and to defy a tendency toward inclusion of the newcomers in the establishment.

Finally, there seems in some cases to be a trend among the center right toward a lukewarm attitude to European integration. It seems that only in the Baltic States and Slovenia is the right is proudly pro-European; elsewhere, the perspective on European integration as now embodied in the EU is more differentiated. Even though there exist powerful hindrances for parties to express their reservations about the pace and form of European integration openly, some certainly do not hesitate to make use of these reservations for the sake of ideological rejuvenation or reanimation – the Czech Civic Democratic Party, parties of the Polish right and, to some extent, the Christian Democratic Movement in Slovakia are illustrative cases. So, the crucial question regarding the future of the center right will have a much to do with the question of whether center-right parties will adopt 'Euroskeptic' stances that attempt to "shield the national culture from the process of European integration, and preserve cultural coherence in the face of rising immigration" (Vachudová, page 1).

Given the fact that we are probably facing another swing of the pendulum, which may return many center-right parties across Central and Eastern Europe to power, our analysis may help the these parties and their successors to address these emerging trends by learning the lessons of their own shortcomings in the period when they were last in power and had face equally complex and pressing dilemmas.

IRI Europe Division, Washington D.C. and Regional Office for Central and Eastern Europe in Bratislava, August 2005.

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# RISE, FALL AND DISINTEGRATION: THE BULGARIAN CENTER RIGHT IN POWER AND IN OPPOSITION (1997 – 2005)

### SVETOSLAV MALINOV

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he 10<sup>th</sup> of November, 1989 is widely considered as the beginning of a new era in Bulgarian political life. On that date the Politburo of the Bulgarian Communist Party (BCP) forced the long-time Communist head of state, Todor Zhivkov, to resign. This sudden change, later called "a peaceful *coup d'etat*," opened a new chapter in Bulgarian history and was followed by an outburst of political activity. Taking advantage of the altered political climate, Bulgarian citizens quickly organized themselves into parties, civic movements, committees, discussion clubs and trade unions. On 7 December, less than a month after the ousting of Zhivkov from power, ten organizations met at the Institute of Sociology of the Bulgarian Academy of Sciences and created the Union of Democratic Forces (UDF) coalition. After 45 years of totalitarian, Communist rule there was again organized political opposition in Bulgaria. Starting in 1989 as an amorphous anti-Communist coalition, the Union was consolidated in 1997 into a single party with a Christian democratic ideology.

The history of the Bulgarian center right in the last 15 years almost completely coincides with the history of the UDF. It is full of numerous splits and personal conflicts, falls and triumphs, unexpected turns and controversial politicians, achievements and failures, historic victories and everyday petty squabbling. Historical analyses of the center right, as well as of the Bulgarian political and economic transition since 1989, are in their initial stages. There are no authorities to be challenged, no established "right" or "left" interpretations, no periodization to be questioned. There is only a general agreement among political scientists today that the Bulgarian party system is not consolidated, and that the processes affecting its centrist and center-right components are too dynamic to allow any prediction.

Although the future is unclear, the recent past of the center right is now relatively clear. The protests in the winter of 1996-97 against the government of the Bulgarian Socialist Party (BSP) opened the way for the radical reforms which the ex-Communists quite successfully had blocked until then. And no one would argue against the evaluation that under the leadership of Prime Minister Ivan Kostov (1997-2001) the democratic forces realized their two major goals – creating the foundation of a free-market economy and pulling the country out of the Russian sphere of influence. However only twelve months before the reformers came to power, the Bulgarian center right was weak and divided while the strong and united left seemed invincible.

### I. THE CONFLICT WITHIN THE CENTER RIGHT

The parliamentary elections at the end of 1994 were won convincingly by the BSP. Having an absolute majority in parliament, the Socialists easily formed the new cabinet with their leader, Zhan Videnov, as prime minister. Exhausted by change and disappointed by the inability of the democrats to hold power and govern effectively, the majority of Bulgarian citizens was seduced by the populist messages of the left about security, new jobs and higher salaries. In 1994, nostalgia for the "good old days" of Communism was still strong, and the democrats were too weak to stop the "left wave."

The next year, the BSP confirmed its superiority in the local elections, winning a solid majority of the votes and losing only in a few big cities. After the debacle in the local elections, the Bulgarian opposition faced a formidable BSP dominating all major institutions of state power but one. President Zhelyu Zhelev occupied the only position that was still not in the

hands of the Socialists. Although he was elected on the UDF ticket in January 1992, at the end of that year relations between him and the coalition broke down because of his harsh critique of the UDF government of Philip Dimitrov. By the end of 1993, the presidency and the UDF turned into two separate and even competing centers of influence.

At the end of 1995 (i.e. one year before the end of his five-year mandate), President Zhelev announced that he would run for another five-year term. In response, the coalition People's Union (PU), which had split from the UDF, declared its support for his candidacy, whereas the UDF declared its intention to nominate its own candidate. The worst scenario for the opposition thus materialized, culminating in the evil of running two democratic candidates against the Socialist's one. And this took place at the moment when the BSP seemed ready and eager to concentrate all available power in its hands.

All attempts at mediation within the democratic sector failed. President Zhelev refused to withdraw from the race, and the UDF refused to accept him as its candidate for a second term. In this deadlock, an agreement for a vote transfer between the first and the second round of voting, according to which candidates of the right would compete in the first round, while in the second the supporters of the defeated one would support the victor, seemed like a reasonable solution. It was clear that no one in a three-candidate race would be able to win in the first round. There were three arguments against this solution. First, the experience from the 1995 local elections clearly indicated that a vote transfer would not exceed 65%. Second, it was not difficult to foresee that an election campaign with two democratic candidates could lead to mutual attacks and bitter accusations, resulting in hostility and distrust between the opposition parties. Third, there was tremendous public pressure in favor of one democratic candidate. Polls clearly indicated that should the democratic community field two candidates, a Socialist would be Bulgaria's next president, leaving the country entirely in the hands of the ex-Communists.

### II. THE TURNING POINT: THE PRESIDENTIAL PRIMARY ELECTIONS IN JUNE 1996

A mechanism had to be found for going into the elections with a single candidate supported by all the opposition parties. Primary elections emerged as the only solution, and they became possible because the political leaders understood that the presidential elections would be crucial to the hope of saving the reforms and to the revival of the country. However, fears of a failed primary abounded, even by those who sincerely believed it was the only option. These fears reflected the nature of Bulgaria's young democracy. There was a cultural argument against the primaries which claimed that such American mechanisms can work only in a political environment such as that of the United States. This attitude was nourished by the rumors that the idea originally came from the Sofia branch of the International Republican Institute. The involvement of an American organization based in Washington strengthened the arguments that the whole idea was an irresponsible import of a peculiar foreign political mechanism that was inadequate and dangerous for Bulgaria. There were talks about a conspiracy against the UDF and democracy in general. Not only did Bulgarian journalists and politicians insist that this "crazy" concept should be abandoned, EU-member-country embassies in Sofia (a notable exception being the Spanish

one) argued that primaries were inappropriate for European politics. All the nay-sayers were right in one respect: unsuccessful primaries would expose the opposition to ridicule and sow the seeds of its total collapse.

Together with the parties and a Bulgarian non-governmental organization called the Center for Liberal Strategies, IRI formed a working group to discuss the details and prepare the text of a general agreement among all sides in the process. The group included independent experts, representatives of the presidency and all of the opposition political parties in the parliament. The final document was signed on 29 March by Ivan Kostov (UDF), Anastasia Moser (PU), Stefan Savov (PU) and the representative of the Movement for Rights and Freedoms (MRF), Ahmed Dogan. Later the agreement was signed by the two contenders, President Zhelev and the UDF candidate Petar Stoyanov. The first two clauses of the document stated that an accord had been reached to "nominate a joint candidate for the presidential elections in Bulgaria through the process of primary elections" and "to support the nominee who wins the primaries and not to nominate or support other candidates in the presidential elections."

The first presidential primaries in Bulgaria took place on Saturday, 1 June 1996. The turnout was 858,560, with voters facing a choice between President Zhelev and the younger UDF candidate Stoyanov. There were no incidents during the process. On 4 June, it was clear that Zhelev had lost by a two-to-one ratio to the younger contender. Stoyanov became the official joint candidate of all democratic parties in Bulgaria for the coming presidential elections in October. He went on to win the "real" elections with a record-breaking margin of 20% in the second round against the candidate of the BSP. Six months later, a newly formed coalition called the Allied Democratic Forces (ADF) won early parliamentary elections.

The presidential primaries were a turning point in the course of the Bulgarian transition to democracy and a market economy. Undoubtedly they remain as an excellent example of what the Bulgarian center-right parties could achieve through political dialogue and cooperation in spite of internal fights and conflicts. But while the center-right parties were overcoming the crisis within their own ranks, the BSP government was dragging the whole country into the worst economic crises since the liberation of Bulgaria from the Ottoman Empire in 1878.

### III. THE FAILURE OF THE SOCIALIST GOVERNMENT (1995-1996)

After 1995, an avalanche of problems and crises overwhelmed the government. Yet, as early as the middle of 1995, experts were warning that the methods being applied to the nation's economy were in fact an attempt to revive the centrally planned economy and, as such, were doomed to result in catastrophe. Nevertheless, the dimensions of the collapse, when it came, took almost everyone by surprise.

The grain crisis came first. Business groups close to the prime minister exported grain in enormous quantities, substantially exceeding the legal export quota, which seriously disturbed the grain balance of the country and put the population's provisions in danger.

Stock breeding had great difficulties, too. All of this resulted in skyrocketing prices for food in the country. The prices of milk and yoghurt increased five times; meat, cheese, sugar, rice, and flour-based products followed suit. Bread beat all records by increasing sevenfold. Fuel and heating also went up fivefold. Living standards fell by three fourths as the attempt to go back to the "good old days" collapsed like a deck of cards, bringing the country down with it.

The situation was not better for foreign investment. In 1996 Bulgaria ranked last among the post-Communist countries in Eastern and Central Europe in foreign investments. The government had deliberately created an investment-hostile climate. Foreign individuals were banned from owning land and, what was worse, BSP leaders openly expressed their hostility towards selling "our precious soil to greedy foreigners." This bleak future reduced the number of serious "green-field" investors who were so badly needed at that time. The Socialists thought that in this way they could force investors to buy existing enterprises, but these were inefficient and unattractive. There were changes in the investment legislation that specifically precluded expatriate Bulgarians from investing in the country. The ex-Communist party had always disliked, for political reasons, Bulgarians who left the country and tried to harm them economically. The immense bureaucracy the country inherited from Communism had neither the expertise nor the incentive to develop a pro-investment policy. Several multinational companies, among them the Rover Group, had to pull their production facilities out of the country. Negotiations with Russia's gas giant Gazprom for the construction of oil pipelines were stalled. This was an unpleasant surprise, since the government had believed that the Russians would make some compromises in the name of the old political friendship with fellow ex-Communists. Bulgaria was rapidly deteriorating from a promising developing market to a barren desert starved for foreign investment.

Nothing, however, compared with the disastrous collapse of the banking system and its consequences. An enormous devaluation of the Bulgarian national currency (the *lev*) began almost at the same time as a crisis in the banking system began to develop. According to economic commentators, political analysts and leaders of the opposition, most of the "bad credit," streaming out of state banks went directly into the coffers of the Socialists and financed their election campaigns in 1994 and 1995.

By the spring of 1996, it was clear the banking system was tottering. Also, the government failed to isolate the biggest loss-makers in the economy from additional credit. The budget collapsed and had to be redrafted twice before the end of the year. No serious privatization deal was agreed upon. Banks went down one after another, as the population engaged in several mass runs on the *lev*, and the currency collapsed against the dollar by about nine tenths of its value. Fifteen banks were ultimately put under special supervision. Millions of depositors and hundreds of enterprises lost the right to operate with their own assets. Bulgarians went through the bitter experience of hyperinflation, a phenomenon that was until then quite alien to the nation. The overwhelming majority of the population was unable to take any kind of precautionary measures, relying on a blind faith that sooner or later "the state will fix things." The panic and shock that followed were unprecedented in Bulgarian history.

Following months of public apathy – and as a result of the profound shock of seeing standards of living drop so dramatically – the nation took to the streets demanding elections and rapid economic reform. On 3 January 1997, the first mass gathering took place in Sofia,

reminiscent in scale of the gatherings in neighboring Belgrade, and also of the 1990 Bulgarian "Velvet Revolution." Days of mass protests around the country followed. The protests started from Sofia, but this time they spread all over the country. The arrogant behavior of the Socialists in January brought even more frustration. After the resignation of Prime Minister Videnov, the Socialist majority in parliament decided to elect a new BSP government. The discontent of the citizens exploded. Massive daily demonstrations paralyzed the capital and all major cities. All the nation's major cities and villages, as well as major points and routes, were barricaded and manned by determined citizens. The demand was simple – no more Socialist governments, and early elections as soon as possible.

On 4 February in front of the Alexander Nevski Cathedral in Sofia at a huge rally of the opposition, the leader of the UDF and future prime minister, Ivan Kostov, announced that BSP had agreed to call elections for April. For the next two months, a caretaker cabinet, headed by the UDF mayor of Sofia, Stefan Sofianski, was appointed by newly elected President Stoyanov. These early elections confirmed the decisive change of mood in the nation. For the first time since 1989, an overwhelming majority of Bulgarians was prepared to admit the necessity of the painful reforms necessary to make a clean break from their Communist past.

### IV. THE ALLIED DEMOCRATIC FORCES IN POWER (1997-2001)

While the UDF-led government inherited an economic collapse and political institutions in chaos, its vision and political discipline instilled confidence in the Bulgarian people and impressed international institutions. Cementing a parliamentary coalition of like-minded parties, the ADF achieved full control of parliament and attacked Bulgaria's nagging problems.

With the backing of the IMF and other international financial institutions, the new center-right government introduced macroeconomic stabilization measures and structural reforms that resulted in a reduced budget deficit, lower inflation and a rise in foreign investment. The introduction in July 1997 of a currency board swiftly pushed down Bulgaria's soaring inflation rates and continues to contribute to financial stability. Bulgaria's GDP declined by over 10% in 1996 and by 7% in 1997. It rebounded with 3.5% growth in 1998.

After stabilizing the economy with a currency board that imposed strict monetary policies and financial transparency, the government accelerated the sluggish privatization of state-owned assets. To boost economic growth, the UDF launched land, tax, financial and judicial reform efforts that created a privatization environment open to foreign investments. Ambitious energy and transportation infrastructure improvements – a necessity after years of the Communist neglect – were started, and the government began considering Bulgaria as a possible regional hub of commerce and energy exports for the future.

Prime Minister Kostov declared that the fight against organized crime was a priority. The National Assembly passed laws to amend the Penal Code and the Criminal Procedures Code. The government succeeded in cracking down on organized crime involved in illicit oil, gas and arms trafficking.

In the area of defense, Bulgaria emerged as one of NATO's most impressive participants in the Partnership for Peace joint-forces exercises, working hand-in-hand with the United States Department of Defense on a top-to-bottom military reform program. Bulgaria also was active in the Euroatlantic Partnership Council. Very quickly Bulgaria became one of the great success stories of the world's emerging markets and a leading candidate for the next round of NATO expansion.

From its first day, the government actively pursued membership in Western institutions, including NATO and the European Union. The ADF maintained close contacts and an active dialogue with NATO and EU officials on all relevant political, financial and military issues related to its future membership. In many ways, the Bulgarian government attempted to cooperate as though it were already a full NATO member, as witnessed during the Kosovo crisis. The government believed that active engagement to fulfill the membership criteria would encourage foreign investment and promote greater confidence in Bulgaria's political and economic institutions.

To sum up the essence of the ADF government, there is no doubt it was the most successful government since the start of transition in 1989. Bulgaria overcame the severe crisis it was going through and, by introducing a currency board arrangement, achieved financial stabilization and low inflation throughout the ADF's term in office. In the context of this stable macro-framework, the government conducted structural reform and privatization, as a result of which the private sector began to dominate the Bulgarian economy. Foreign investments grew to a record high in the year 2000. Bulgaria set clear priorities in foreign policy, which were supported by the majority of the Bulgarian public. The desire and consistent work for integration with the European Union and NATO achieved concrete results and dispelled all doubt about "Bulgaria's path" for the next generation. The Kostov government became the first in the post-Communist era to complete its term in office. It weathered several external economic storms and received international praise for the example it set as a zone of stability in the volatile region of Southeastern Europe.

Objectively speaking, the government's economic and political achievements seemed like more than enough for reelection or, at worst, for a minimal loss. However, in the parliamentary elections in June 2001 the ruling coalition was overwhelmed by the newly formed National Movement Simeon II (NMSII). Its leader was the exiled successor to the Bulgarian throne, Simeon Saxe-Coburgotski, who became the next prime minister. It was no consolation that the old enemy BSP was in an even worse situation, finishing in third place for the first time since 1989.

### V. The Reasons for the Defeat In June 2001

Bulgaria's parliamentary elections in June 2001 can aptly be described by the word "land-slide." The elections were characterized by a "shift in the political strata" or even as a "collapse of the political base."

Part of the explanation is provided by the peculiar characteristics of NMSII and its leader. The rise of NMSII as a political force was so meteoric that the leaders of Bulgaria's traditional parties, as well as political experts and observers, still cannot truly diagnosis its

cause. Although the NMSII was immediately identified as a populist movement, making use of the disappointment in the traditional parties, there was no time to neutralize the effect of the messages of Simeon, who announced his intentions to run only ten weeks before election day.

NMSII is not considered a member of the Bulgarian center right. Moreover, NMSII representatives – probably, *inter alia*, under the influence of their leader – are not inclined to identify themselves ideologically in left-right terms. The emphasis in their self-identification is invariably on "pragmatism, expertise and positive attitude." They claim to be a centrist formation with an intense concern for social issues. The party joined the liberal faction in the European Parliament. However, the purpose of this essay demands that we focus not on the winner but on the loser – UDF.

Four years after this political landslide, public debate on this subject may be summarized as following: If one reason had to be singled out for UDF's disastrous results in the 17 June 2001 elections, it would certainly be associated with their attempt to simultaneously solve two major problems, each one of which would normally require a party's entire political will, devotion and human resources. In the period from 1997-2001, the UDF had to continue its transformation from an anti-Communist coalition movement into a united party, while also governing the state.

The difficulty of solving both problems at the same time stemmed from the UDF's insufficient preparedness for taking over government in 1997. The Union was in the process of internal reformation, the end of which was envisioned to coincide with the end of the government's term in office in 1999. But the fall of the BSP government upset the rhythm of Bulgarian political life; the opposition had to take responsibility for the country's government irrespective of its internal state and available resources.

Hence the reasons for the loss of confidence in the right (namely in the UDF) in power may be divided into two groups. The first one includes all those associated with government, and the second, those associated with the state of the UDF as a party. Even though this division is partly superficial, as the UDF was the ruling party, it is nevertheless most expedient for the sake of analysis of the election defeat of what was viewed as a quite successful government.

### The Government

The presidential and parliamentary elections in 1996-1997 refocused the attention of Bulgarian society on the abandoned reformist agenda. For the fulfillment of those tasks, the Bulgarian political system could rely only on the ADF coalition, dominated by the "blue party" – the UDF.

In spite of the various policy successes of the UDF government, its rule saw rising unemployment that stabilized at 20%. In the context of the currency board arrangement, income policy was bound to observe strict fiscal discipline. Wages and salaries in the publicly-financed sphere rose steadily, but the low starting point from 1997 and their slow increase did not satisfy the population. Although the living standard of the citizenry rose consistently, the majority of citizens felt insecure, poor and pessimistic about the prospects for improvement.

The government was forced to launch severely delayed reforms in several spheres – public administration, health care, education, the armed forces, etc. While these reforms gradually gathered momentum, they inevitably triggered acute social discontent, and there was reluctance among the population to recognize their necessity. The introduction of new legal frameworks for a number of traditional social and economic relations led to dramatic social protests – for example after the introduction of compulsory electronic cash registers for retailers. Reforms took their toll on particular social groups or professional communities before their positive results could be felt. The ADF government's reforms were extensive and, more often than not, citizens felt some negative effects from the so-called "unpopular measures."

It seems there was a definite pattern to the ruling center-right coalition's loss of popularity. A similar pattern was seen across Eastern Europe, in which almost all center-right governments failed to win a second term in office. If the center right in the ex-Communist countries follows its reformist program unswervingly, it must inevitably pursue unpopular policies which often alienate voters. In most cases, they will turn to the renewed left, although the electorate might also support nationalist political groupings. Hence the logical conclusion is that in the conditions of transition, center-right governments will "fall victim to the success of their own policies" because, weighed down by their daily cares, people cannot see things in the long term and therefore can hardly appreciate reforms that will take time to yield tangible positive results.

Although this explanation is quite popular among the politicians of the center right, it contains only part of the truth. As numerous opinion polls showed, the Bulgarian public by an overwhelming majority accepted the need for reforms and the fact that they had been delayed. Bulgarians supported – or at least understood – the inevitability of reform, but they rejected the tactics and the agents of its implementation.

The ADF government failed to do something very important, something that people expected, but was not articulated clearly in the enthusiasm of the civil unrest during the winter of 1996-1997. Perhaps ADF failed to recognize that the unprecedented intimacy between the general public and the opposition created remarkable expectations. The involvement in civic protests and the intensity of the support provided by the protestors exceeded the routine duties of the democratic citizen who occasionally goes to the ballot box to cast his or her vote. This created excessive expectations with regard to the nature of the new government.

"We terminated the BSP's rule together, we will build a new Bulgaria together" was the commitment written in the election manifesto of the ADF. Bulgarians expected a return to the reformist agenda and a new policy that would break the nostalgia for Communism once and for all. Bulgarians were longing for a new style, a new manner and a new way of policy-making. They expected the closest possible relationship between government and the governed, and they expected openness, direct and frank dialogue between the authorities and the public – mechanisms and practices which were entirely alien to the Communist regime and which were also absent during the BSP government. After the extraordinary effort that went into bringing about early elections, the majority of Bulgarians expected that this would at long last be truly "their" government – transparent, communicative and sincere.

But the ADF did not meet this expectation. In fact, it failed completely in this respect. Its task was not only to conduct a concrete policy and to implement its program, but also to build and maintain a sense of solidarity between the government and the governed based on a common belief in the necessity of the painful and long-overdue reforms. But solidarity, an important value of Christian democracy, was interpreted in the narrow partisan sense as something applicable only to relations between the supporters and members of UDF. In this context, the government itself started to look unjust, and the moral credentials of the power-holders came to be seen as questionable.

Bulgarians did not want to hear about achievements because the moral profile of the power-holders became more important than everything else. Thus a pragmatic debate on competence, means and ends in policy-making was displaced by a debate on morality and ethics in politics. On this battlefield, the ADF could never win. It was not the painful reforms and the severe financial discipline that caused the enormous decline of public trust, but the repulsive image of the party politicians and the UDF itself.

### The Party

Shortly before the early elections in April 1997, a momentous decision was taken at the UDF Ninth National Conference. Following years of debate, UDF leaders decided that the Union should become a single party instead of remaining a loose alliance of more than a dozen bodies, most of them with tiny memberships. The UDF's transformation from an amorphous, anti-Communist coalition into a party in 1997 was an undeniable success. It was the main guarantee of a successful, four-year term in office, especially after the bitter experience of the early 1990s, when maintaining the integrity of the Union and its parliamentary group proved to be an impossible task. There was little nostalgia for the early days of the "UDF movement" with their the lack of discipline, chaotic meetings of the National Coordinating Council, contradictory statements of leaders, tortuous decision-making and inability to enforce decisions once they were made. The UDF as a party was undoubtedly built with the clear design of ending the organizational chaos of the early 1990s. From this perspective, the project of building the UDF produced the desired results.

On the other hand, any analysis of the election loss must note the "closing up" of the UDF, not only to the Bulgarian public at large, but also to its own supporters. Clientelism, encapsulation, poor personnel policy, transformation into a sect-like party – these are the most frequent descriptions of the processes which evolved while the ADF was in power. It turned out that the new, orderly structure generated poor intra-party communication. Information flow between the UDF local clubs and the central leadership was difficult. Rank-and-file members were left with a sense of isolation from UDF policy-making which led to their disillusionment. Many stopped delivering UDF messages to the public.

Within the party, there was also a fusion of administrative and political power that caused its encapsulation, as most UDF local leaders were also members of parliament. The MPs, who held positions on both power levels, had to communicate within the limits of party structures. The bulk of the information and communication about the problems of the respective constituencies passed through a specific partisan filter which selectively selected out only the problems of UDF activists. And when UDF deputies visibly concentrated on solving the problems of UDF members, it was very hard for external observers to accept

such practices. All Bulgarians had to question who the UDF's MPs really served – ordinary citizens or only UDF members.

Paradoxically, the ADF's sweeping victory in the April 1997 parliamentary elections triggered negative tendencies within the party. The UDF parliamentary group was numerous enough to manage an absolute majority of seats in the chamber. This cleared the way to a government completely dominated by the UDF and to mass appointments in public administration and local government. In early 1997, the economic resources under state management were formidable, since the BSP government had blocked the privatization process. The UDF came to power with the promise of accelerating privatization. The promise was kept, but the way this was done largely undermined public confidence in the party. The image of the UDF among the Bulgarian public was irreparably marred.

The UDF became too involved in the privatization process. It can be argued that politically motivated lending of public resources and political reallocation of property constituted a reasonable alternative in an economic system that was defenseless against the encroachment of capital of unclear origins or outright "dirty money" from notorious "businesspersons." But it is also quite understandable that the ultimate result of such an approach was a host of accusations of clientelism and corruption against those in power.

The UDF, however, did not allow or, more precisely, did not try to find a way of allowing broader sections of the public to take part in the privatization process. The process, crucial for the formation of new social relations, was thus reduced to an intra-party reallocation of public property. Before the eyes of the Bulgarian public, and with the collaboration of UDF government-appointed civil servants, the members of UDF local structures and the central governing bodies took part in joint business ventures. This symbiosis of political and economic activity operated within the legal framework. But no one should be surprised that it fed a burning feeling of injustice and promoted the perception of large-scale corruption.

The authentic political debate within the rank and file of the UDF was displaced by the issue of allocation and reallocation of economic resources, which naturally dominated the reform agenda. The value-oriented policy required by the Christian democratic identity disappeared from the domestic political image of the UDF and was manifested only in the field of foreign policy.

Thus, before the 2001 elections, any basis for arguments and campaigning in terms of government policy effectiveness, competence and achievements, was largely destroyed by the dirty image of "the blue party," as the UDF came to be known. The public refused to make its choice by taking part in such a debate. The majority put its trust in something else which, albeit beyond the sphere of real politics, was promised them by the NMSII and its leader. There was no way to counter this phenomenon, since cleaning up the image of the UDF, built during the term in power, needed much more than several weeks of election campaigning. It could be argued that a four-year stint in opposition was what was needed for this task.

### VI. WHAT SHOULD HAVE BEEN DONE (2001 - 2005)

In the long run, UDF had to open itself up to the public. When the party was in opposition and the overwhelming majority of the public did not support it, it could win pub-

lic confidence back only by addressing the entire electorate. In designing its policy, the Union should have opened up to independent experts and opinion-makers who cared about UDF's problems and could suggest new ideas. The intellectual potential of the UDF electorate was extremely high, but this potential was not used appropriately by the party leadership. The time in opposition was invaluable for establishing permanent contacts with influential and active representatives of civil society in Bulgaria. The professional and entrepreneurial communities undoubtedly understood the essence of the reforms and were the natural civic allies of the "blue party." The UDF had to find a way of communicating and developing long-standing mutual commitments with them.

The UDF had to make an effort to develop its Christian democratic identity in order to take principled and consistent positions in the public debate, especially in opposition to the government of NMSII and MRF. Thus its initiatives would not spring from *ad hoc* circumstances or the personal whims of one leader or another, but rather from clearly articulated principles. They would generate the value-oriented policy which was missing during the ADF government. The UDF sought to clean up its image by using those values in real policies at the national and local levels.

By democratizing the party, opening it up to all Bulgarian citizens, stressing Christian democratic values in UDF policies recruiting new people at the national and local levels UDF could restore its public image. These processes redefined the character of the party. But this term in opposition could be UDF's last chance to become a genuine political party and to provide categorical guarantees that its members and its leaders have learned the lessons of 2001.

After twelve years of painful transition to democracy and market economy, the UDF has become a symbol of change for the Bulgarians. Irrespective of the letdowns and mistakes, the Union remained *the* reformist force in Bulgaria. The UDF had to rely on this part of its identity, for which it was loved and hated and in the name of which the Bulgarian public chose to follow it in 1997. It should have always supported and defended the achievements of the "blue" government (1997-2001) and Prime Minister Ivan Kostov.

The UDF had to recognize clearly that anti-Communism could no longer be the ideological pillar of the organization, even though many members and supporters were united by this principle only. This does not mean that the first twelve years must be crossed out, or that UDF policies were misdirected. Nor does this mean that anti-Communism should be abandoned altogether. But the agenda of anti-Communism has been exhausted, and the credit for this went precisely to UDF. In this sense, the UDF emerged as an anti-Communist formation whose policies were directed at eliminating its own *raison detre*. The reforms which the UDF uncompromisingly backed and conducted put an end to the large-scale anti-Communist project in which all countries in transition were involved. Similarly, the ideas which the UDF declared at the beginning of transition, and which were met with furious resistance at the time, have been embraced by all political formations in Bulgaria. This victory in the battle of ideas meant that the first decade of Bulgarian modernization had ended with the adoption of the reformist agenda by all.

It is very probable that in the next stage, all the parties that rely mainly on anti-Communist rhetoric, as well as those pining for a return to Communism, will be marginalized. The UDF's mission in opposition was to formulate the agenda of the "second-generation"

reforms of Bulgarian society. If the UDF were successful in presenting such a political vision to the Bulgarian public, it would also preserve the center-right project as a modernizing and reformist government alternative. Thus the Bulgarian center right would be able to restore its *raison d'etre* and would become a guarantor of reforms in Bulgaria, both past and future.

In the short run, all the temptations within the UDF to "help" the inexperienced NMSII in exchange for the reward of preserving certain positions in government should have been ignored. The party should have remained in opposition and exposed the lies of NMSII and its leader. It should have occasionally played the role of the constructive opposition, the alternative vision for the government that would defend the idea of Euroatlantic integration. The re-election of President Petar Stoyanov, the symbol the new beginning of 1997, should have been considered a crucial first step in the recovery of UDF. The local elections in the autumn of 2003 were supposed to be the "dress-rehearsal" for the next parliamentary election. In the local elections, the Union was expected to restore its reputation and strength by showing its new face to the public. Good results could have erased the negative events that culminated in June 2001 and given the UDF the chance to reclaim the right to govern the country again in June 2005.

### VII. WHAT HAS HAPPENED (2001 – 2004)

After the 2001 election, the leader of UDF, Ivan Kostov, took full responsibility for the electoral defeat and immediately resigned. He also resigned from all positions within the party, becoming a regular member of the parliament and refraining from public speaking for almost two years. He was replaced in the end of June 2001 by Ekaterina Mihaylova – the leader of the "blue majority" in the previous parliament. She was supposed to lead the party to the 13th National Conference in March 2002 where elections for all governing bodies of UDF were expected to be carried out. The eight months of her leadership were very eventful.

Under Mihaylova's leadership, UDF decided not to go in the coalition with NMSII and to stay in opposition. Instead of uniting the party, this move caused a deep division among the party members and leaders. The "hardliners" were represented by Ekaterina Mihailova and Ivan Kostov, the alternative vision was expressed by Phillip Dimitrov, prime minister from 1991 to 1992, and Stefan Sofianski, the UDF mayor of Sofia since 1995. Even before the parliamentary elections, they openly defended the idea of collaboration with Simeon Saxe-Coburgotski and NMSII. The question of cooperation with NMSII and its leader created a new dividing line within UDF. This was the reason for Sofianski's leaving UDF in the autumn and founding the Union of Free Democrats (UFD).

These controversies made it impossible to realize the project of reforms that the new leader of UDF proposed. Personnel changes were limited to the exclusion from UDF of the highly compromised figure of Deputy Prime Minister Yevgeny Bakardjiev (1997-1999), who was the leader of the Sofia branch of the party. Radical changes in the structure of the UDF and the introduction of new procedures for the selection of candidates for parliamentary and local elections were left for the National Conference in March 2002. Unfortunately before the end of 2001, UDF suffered another heavy blow.

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The obvious favorite in the presidential elections in November 2001 was incumbent President Stoyanov. His reelection seemed inevitable when the BSP nominated its leader, Georgi Purvanov, as its presidential candidate. Purvanov's popularity was falling fast after the defeat of the BSP in the parliamentary elections, and many observers considered this nomination a dignified way for the BSP leader to step out of office. Stoyanov, in turn, decided to run as an independent candidate, believing that active campaigning for him by the UDF leadership and members might do more harm than good. Stoyanov was a strong supporter of the idea of collaboration between UDF and NMSII. Distancing himself from UDF, the president demonstrated his sympathy for NMSII by officially asking for its support. On the eve of the elections, this support was given by new Prime Minister Simeon Saxe-Coburgotski, who called upon NMSII voters to support Stoyanov.

The actions of President Stoyanov were considered unacceptable by many traditional UDF voters. That negative judgment was combined with a very confusing campaign burdened by a very late start and personal blunders on behalf of the president. The result was a real shock: after the first round, Stoyanov came in second behind Parvanov and was unable to change anything during the two weeks preceding the second round. For the first time since the beginning of the transition, a BSP candidate won the presidential race. The Socialists received a boost from this win and for the first time since 1996, their party took the lead in the polls.

The National Conference of UDF was characterized by a very depressing atmosphere. Only one year earlier, the president, prime minister and mayor of the capital city were members of UDF. By March 2002, all this was gone. Ekaterina Mihaylova was replaced as leader of UDF by ex-Foreign Minister Nadezhda Mihaylova, who was considered a figure of compromise within the party. She supported the "hardliner" attitude towards the government, but had excellent personal relations with representatives of the "collaborationist" wing. It was hoped her achievements in foreign policy could transfer her personal popularity to the party itself.

It became clear after the National Conference that radical changes in the UDF would have to be postponed indefinitely. The top leadership of the party (i.e. the National Executive Council, consisting of twelve members) was indeed renewed, but all governing bodies beneath it remained untouched. The desire to balance between the various internal groups of the party and the unwillingness (or maybe the inability) to confront the government on a day-to-day basis gradually deprived the UDF of its identity as a viable opposition force. Rumors about a coalition with "the king" continued, and the critique against the "hardliners" never stopped.

The new leadership lapsed into passivity and inertia. One year after the election of Nadezhda Mihaylova, there was a widespread feeling that UDF was fading away. Instead of becoming a stepping-stone for the success in the parliamentary elections, it was feared by party activists that the local elections in the autumn of 2003 would be a debacle for the party. Mihaylova, aware of these fears, made the courageous move to run against Stefan Sofianski for mayor of Sofia. During the campaign, she declared that she would either win the race or resign as leader of UDF in the hope that her personal ultimatum would mobilize the "blue voters" of the capital. The results were disastrous both for UDF and its leader. The Union received only 370,000 votes in comparison with 850,000 in 2001. This

represented a loss of almost 60% of the votes in the middle of its opposition term. Mihaylova came in third after Stefan Sofianski and the BSP candidate. Between the first and the second round, UDF leaders suffered the humiliation of asking "blue voters" to support Sofianski, the leader of the new UFD party. Although the BSP candidate lost the race, the victory of Sofianski was another indication that UDF was loosing even its hardcore voters in the capital.

The dissatisfaction with the state of the Union was articulated openly by many local and national leaders. The situation deteriorated rapidly when the leadership of UDF down-played the situation and Mihaylova refused to resign despite her earlier declarations. The tensions within the party grew rapidly, and the two factions within the party became clearer in the public eye. They differed in their assessment of the government of ADF, their attitude towards the NMSII and their vision for the coalition policies of UDF.

The "hardliners" within the UDF demanded an unconditional defense of the previous "blue government," relentless opposition activity against the NMSII-MRF government and rejection of any future coalition prospects with NMSII. They accused NMSII of turning back the reforms of the state administration, of rehabilitating the repressive institutions of the totalitarian past and of open collaboration with BSP. They insisted on coalitions only with organizations that are in strong opposition to the government and under no conditions with NMSII. The "collaborationists" were far more critical of the "blue government" –Mihaylova even apologized to the Bulgarian public for its mistakes. They were more tolerant towards the NMSII, planning future collaboration or even coalition with it. It became obvious that UDF consisted of two entities that cherished different perceptions of the past, the present and the future of the Union. These differences were too deep for a peaceful coexistence.

After the failures of UDF there was tremendous public pressure on Ivan Kostov to return to active politics. In the meantime, instead of making personal changes or trying to reach a compromise with the "hardliners," UDF leaders decided to call an extraordinary National Conference to consolidate their power before the parliamentary elections in June 2005. Many local branches of the organization openly expressed their disagreement and the parliamentary group was divided, as well.

In March 2004, UDF suffered the most painful split in its history. Numerous members of the party left, including Ivan Kostov, leader of UDF in 1995-2001 and prime minister in 1997-2001; Ekaterina Mihaylova, leader of the majority in parliament in 1997-2001 and UDF chairwoman in 2001-2002; Yordan Sokolov, parliamentary speaker in 1997-2001; and the majority of ministers of the previous ADF government. The parliamentary group was split two-to-one in favor of the "hardliners." In May 2005, a new party was founded – Democrats for a Strong Bulgaria (DSB), and Ivan Kostov became its leader.

Thus the Bulgarian center right entered the 2005 elections divided into three. UDF renewed the Allied Democratic Forces coalition with its partners the Democratic Party (DP), the Georgyovden Movement (GM) and the Bulgarian Agricultural Popular Union-United (BAPU-U). The mayor of Sofia, Stefan Sofianski, succeeded in forming a coalition called the Bulgarian Popular Union (BPU) that included his own party, the Union of Free Democrats (UFD), the Bulgarian Agricultural Popular Union (BAPU) and the small, nationalistic International Macedonian Revolutionary Organization (VMRO). The third

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part of the divided center right is the new party, DSB. The results of the June 2005 parliamentary elections – after which the BSP formed a new government along with NMSII and MRF – showed that the divided center right placed behind not only all three of these, but also behind the radical nationalist ATAKA.

As far as the long-term future is concerned, it may well be that the level of support manifested by UDF proponents in 1996 will be required again. The main adversary will again be BSP, but this time the conflict will be waged against Socialist President Parvanov who is seeking reelection in 2006. The political context will be very different, however, with Bulgaria firmly on the way into NATO and the EU. However, the stakes will be as high as they were ten years ago, namely, to avoid the prospect of a Bulgarian future dominated by BSP.

### APPENDIX:

### List of Major Parties and Their Acronyms\*

Allied Democratic Forces – ADF Bulgarian Agrarian Popular Union - BAPU Bulgarian Communist Party - BCP Bulgarian Socialist Party – BSP Democrats for Stronger Bulgaria – DSB Movement for Rights and Freedoms- MRF National Movement Simeon II - NMSII People's Union - PU Union of Democratic Forces - UDF Union of Free Democrats - UFD

### **Relevant election results** (% of votes, major parties only)

Party/Coalition		1990	1991	1994	1997	2001
Bulgarian Communist Party	ВСР		0.7	1.5	1.3	
Bulgarian Socialist Party	BSP	47.2	33.1	43.5	22.4	17.1
National Movement Popular Simeon II	NMSII					42.7
Bulgarian Agrarian Union	BAPU	6.0	7.3			
People's Union	PU			6.5		
Union of Democratic Forces	UDF	36.2	34.4	24.2		
Allied Democratic Forces	ADF				49.2	18.2
Movement for Rights and Freedoms	MRF	8.0	7.6	5.4	9.4	7.5

<sup>\*</sup>Throughout this publication the native acronyms of party names are used. The only exception is the case of Bulgaria where due to transcript from the Cyrillic, we opted for generally accepted English acronyms.

### Notes:

 Under the "BAPU" label, the table features various manifestations of the agrarian movement, which usually ran through the PU coalition in non-Socialist coalitions with other partners, namely UDF.

### **Presidents:**

Zhelyu Zhelev (January 1992 – December 1996) Petar Stoyanov (January 1997 – December 2000) Georgi Parvanov (January 2001 – today)

### **Governments:**

- 1. Andrei Lukanov (February November 1990)
- 2. Dimitar Popov (December 1990 November 1991)
- 3. Philip Dimitrov (November 1991 December 1992)
- 4. Luben Berov (December 1992 October 1994)
- 5. Reneta Indjova (October 1994 December 1995)
- 6. Zhan Videnov (January 1995 February 1997)
- 7. Stefan Sofianski (February April 1997)
- 8. Ivan Kostov (May 1997 July 2001)
- 9. Simeon Saxe-Coburgotski (July 2001 August 2005)
- 10. Sergey Stanishev (August 2005 today)

## WHY FIDESZ LOST: A SUCCESSFUL GOVERNMENT AND UNSUCCESSFUL PARTY

### TAMÁS LÁNCZI

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### I. CIRCUMSTANCES OF THE 1998 VICTORY OF RIGHT-OF-CENTER PARTIES

### The Process of Uniting the Right

fter the collapse of the political right in 1994, the post-Communist Hungarian Socialist Party (MSzP) and its coalition partner, the Alliance of Free Democrats (SzDSz), enjoyed a dominant political, economical and cultural position. Yet they were unprepared for a quick and unprecedented reorganization of the right. One of the lessons of the disastrous defeat in 1994 for the right was that the left could only be challenged by a politically united party. This was due to the mixed electoral system which, similar to the situation in Germany, helps bigger parties while placing smaller ones at a disadvantage.

After 1994 parliamentary elections, the parties on the center right rapidly learned their lesson and soon formed an alliance that began to achieve promising results as early as the fall municipal elections of that year. The real question was whether the cooperation of a fragmented right could last through several elections and challenge the left. Another dilemma facing the alliance was the question of which party would lead the coalition. A party such as the Independent Smallholders' Party (FKgP), with its roots dating back to pre-Communist times, did not seem to be appropriate for this role due to its class-based character, predominantly rural support and its chairman's populist political style. The previously dominant Hungarian Democratic Forum (MDF) suffered a split in 1996, weakening its political effectiveness. Similarly, the Christian-Democratic People's Party (KDNP) also suffered from internal tensions. Thus Fidesz (then the Alliance of Young Democrats), a small, yet united party with unyielding ideas, was left with the opportunity to assume the role of unifier of the right.

This liberal, regime-changing, anti-Communist party, which was formerly a youth organization, gained 7% of the votes in the 1994 elections. It decided to abolish the age limit for its members and began to develop a more western character, similar to the right-of-center people's parties. Viktor Orbán, thirty-two at the time, was elected leader of the party and declared the party's new identity to be liberal, center-right and civic. Spurning all radical movements, Fidesz liberalism reflected traditional, nineteenth-century, Hungarian national liberalism rather than the European mainstream ideology. Marking its new, center-right identity, the party adopted a new name as of April 1995: Fidesz – Hungarian Civic Party.

In 1996, Fidesz began uniting with other right-of-center parties in Hungary. This was when talks between Fidesz and MDF, the former governing party, began. An agreement was reached after a year and a half. By 1997, Fidesz had integrated the remnants of the 1990-1994 center-right coalition and was ready to challenge the ruling coalition. Political integration found shape not only in contracts of cooperation but also on an ideological level, as well. The backbone of the alliance's structure, Fidesz, released its electoral program in February 1998, forging an image for the center-right political partnership in less than a year's time.

### Failure of the Post-Communist Government - Downfall of the Neo-Liberal Policy

The governing parties were unprepared for this rapid consolidation of the political right, and their reaction was inadequate. The campaign slogan of the Gyula Horn cabinet in 1998 suggested that there was only one political force capable of governing the country. This message might have been true a year before the elections, but certainly not in the spring of 1998, since by then voters recognized a real governing alternative in the coalition led by Fidesz.

The socialist-liberal government of 1994-1998 was portrayed by the opposition as "a trust-eeship to bankruptcy." A one-sided monetarist view seemed to dominate the government's program, pushing all other aspects of governing into the background. They considered it their main job to maintain Hungary's solvency and creditability, but they neglected to address the delayed effects which devastated certain segments of the society. The restrictive stabilizing package of 1995, introduced with the International Monetary Fund's approval, was aimed at decreasing the deficit. But several aspects of the package proved to be unconstitutional. Incomes fell by 20%; many health-care services ceased to be free; family benefits were reduced; and university tuition fees were introduced, as were many more other unpopular measures. During the four years of the Horn government, the value of knowledge was disregarded, with serious cuts in cultural and educational funding. The whole of the government's work can be best described as short-sighted pragmatism. A lack of long-term planning characterized the second half of the term.

As in other Eastern European countries, the issue of privatization created a severe conflict in society. Privatization was accompanied by several scandals, most famous of which was the so-called Tocsik-gate, which indicated a link between privatization-related corruption and MSzP. It was suspected that money from privatization was transformed into the MSzP's and the SzDSz's election campaigns. This shook the governing parties' popularity, while allowing Fidesz to reap the political benefits.

### The Promise of New Politics

The decreasing living standard raised dissatisfaction with the government, but gave the center-right parties only a limited advantage. As the elections drew closer, the MSzP kept its lead. But it was the poor performance of its smaller coalition party, the Free Democrats, which would cause the downfall of the left. Fidesz had to face the reality of the remarkable structural advantage of the Socialists. This advantage rested in their strong ties with the press, business, trade unions and former party cadres turned plutocrats, as well as a dense social network of supporters.

Besides relying on its narrow base of supporters in their 20's and 30's, Fidesz focused on the elder, conservative rightists, the liberals of the coalition partner MDF and undecided voters. While the MSzP aligned the old, Communist-era petty bourgeoisie and those privileged by the Communist regime, Fidesz formed a group of new property owners, civil servants, young intellectuals and those who grew up before the Communist regime.

This heterogeneous group of constituents needed a program with both moderate conservative and liberal elements in it. It was a group whose members had lost their political

identity after the regime change (*See* Csizmadia, Ervin, "The Interpretation of the 1998 Elections," in Kurtán-Sándor-Vass (eds) *Political Yearbook of Hungary 1999*, Budapest: Demokrácia Kutatások Magyar Központja Alapítvány, 1999). Their faith in a change of regime was gone, but not their lust for political activity. Fidesz tried to reach these disillusioned voters and shift their allegiance to the political right. The slogan of Fidesz in 1998, "The Future's Choice," meant that the *civil* (or *civic*) idea was in fact a breakaway from the political practice and values of the post-Communist elite.

### Preparing for Governance

Several conditions were in place to improve the public's trust in government. The leaders of Fidesz were all in their thirties in 1998. The party's candidate for prime minister turned 35 shortly after the elections, and there were also younger leaders within the party. Most of them held a university degree, came from the lower-middle class and took no part in the state-party Communist Youth Organization. Consequently, their careers were not guided by the Communist elite, but rather the result of their own effort, courage and talent. Fidesz was also the only party in the parliament which had not yet been in a governing position. It was untouched by corruption scandals and could play the role of the "new hope."

Fidesz also effectively used new symbols and a new language to accentuate its trust-worthiness. In contrast to the technocratic jargon witnessed in the declining years of governing Communist politicians, Fidesz chose a simpler language, avoiding foreign words and using language that appealed to the average voter. This helped support the image of Fidesz as a party which cared for the people's problems. The "civic" attribute, which was added to the party's name in 1995, reinforced this and symbolized the values of the center right. The word became a tool to unite the large number of uncertain and disillusioned voters (*See* Csizmadia, 1999). Fidesz was on good terms with its potential voters, and the party took good care not to clarify the term "civic" or construct a clear conservative idea around it to avoid pushing away liberals or voters with a weak attachment to the right.

Fidesz gave up using sharp anti-Communist rhetoric, for fear this might mobilize the post-Communists or scared away swing voters. "Civic" or "civil" (polgári in Hungarian) had a different meaning for different voters, without its various interpretations being opposed to one another. This included preserving social security and the lifestyle of the Western European middle class, the rejection of Communism and post-Communism and an emphasis on Christian values. Though socialist intellectuals did their best criticize its ambiguity, the term was successful.

Fidesz learned from the defeat of the 1990-1994 government. The party avoided presenting an ideological program to the Hungarian voters, in part because the diversity of its supporters impelled it to do so. Party strategists knew that once in power, a quickly implemented policy program would make the right's new politics credible for the constituents.

In order to do this, Fidesz presented a program consisting of forty points, divided into several parts:

- 1. benefits to be provided to families and those raising children,
- 2. stopping privatization and reconsidering which assets were to be kept as state property,
- 3. re-emphasizing culture and education, and
- 4. a "law and order" package that included harsher punishments, a focus on drug violations and improvement in the efficiency of criminal investigations.

### The Victory of the Center-Right Alliance in 1998

The center-right alliance led by Fidesz vigorously supported an increased role for the state. This was welcomed by voters from the Socialist era, who were seeking help from the state to soften the blow of a rapidly falling living standard. In identifying the reasons for the Fidesz victory, many analysts stressed the rhetorical skills of the party's candidates, as well as its use of imported political communication techniques. This notwithstanding, it can argued that the cause of the party's success was its new concept of the state¹. By rejecting neo-liberal and technocratic policies and stressing the increased scope of the state, the right could initiate discourse in the areas where the incumbent government previously deprived itself of this opportunity.

The Socialist government's central theme – that there was no viable alternative to its rule – was based on the mistaken assumption that the integration of the right would be slow and thus no opposition would have the votes to win a majority. In fact, the situation was such that the rise of an attractive alternative was much faster than anticipated. Consequently, the Socialists could only increase their popularity at the expense of their coalition partner, the Free Democrats. Thus the left's expectation of a weakened and divided right seriously compromised its electoral chances.

This miscalculation weakened the ruling government's strategy in other ways, as well. If there were no alternative to the left, a moderate campaign would be sufficient and disciplined leftist sympathizers would still go to the polls without arousing the passions of the right with radical campaign rhetoric. But this assumption proved to be incorrect, as opposition voters were already being sufficiently mobilized by the right without any need for a catalyst from the government's campaign.

All these mistakes and the unexpected unity of the right secured success in both rounds of elections in May 1998. The elections had a low turnout (that of the first and second rounds being 56.26% and 57.01% respectively).

Right-of-center parties effectively used the method of reciprocal withdrawal of candidates in the second round, enabling them to win mandates in their individual constituencies. Based on theses results, Fidesz Chairman Orbán was appointed *formateur* of the government. Coalition talks with MDF and FKgP were concluded on 6 July 1998. Two days later, Orbán's government was backed by a large coalition composed of Fidesz, FKgP and MDF.

<sup>&</sup>lt;sup>1</sup> Avar János: The Old Coon and the Young Tiger, Magyar Hírlap, 21 May 1998.

## II. MORE THAN A CHANGE OF GOVERNMENT, LESS THAN A REGIME CHANGE

The Fidesz-led coalition offered an alternative to the voters by redefining the state, society, the individual and the communities, with an interpretation opposed to the old post-Communist set of values. The revaluation of old terms and institutions resulted in conflicts (*See* Lánczi, András, *Utopia as Tradition*. Budapest: Attraktor, 2005). This approach departed from the previous government's propensity to avoid conflict through political maneuvering and cautious policymaking. But this willingness to enter into conflicts was a phenomenon for which the Hungarian voter was not prepared.

The civic government's view of politics and its rhetoric redefined the relations between the individual and politics. Whereas the Socialist government did not count on citizen participation and saw politics as the job of the elite, the civic government encouraged the people to take part in politics, to form an opinion about public matters and to engage in organizing the life of their communities. This meant that voters had to take responsibility for forming the political community. At the same time, this new concept of responsibility meant that the state no longer wished to support the citizen as such, but instead his or her ambitions. The ambitious citizen was of utmost importance, and official government rhetoric suggested that the state would support all initiatives that enriched the religious and sports communities, the family, the township, the nation, etc. Thus the civic government's vision of the future was built on strong ties between the state and its citizens, where engaged people, accepting the communities' goals, enjoyed support from the state.

Emphasizing the community was an important element of the government's policy goals. Consequently, with the nation being the topmost overarching category of the organic hierarchy, fostering a national sense of community was also an important part of these initiatives. Since national cohesion was seriously damaged through the repression and internationalist ideology of the Communist era, the center-right government attempted to reinforce and rebuild national ties. Through various symbolic acts, such as moving the holy crown to the parliament building, rebuilding the national theater (which had been demolished during Communism) and staging a spectacular millennial celebration of Hungarian statehood, the government sought to strengthen a sense of national unity throughout Hungary.

To clarify these principles of civic government, below we will discuss the ways in which the government implemented these ideas while pointing out the factors that hindered their full implementation.

## **Experiences in Party Government**

Fidesz had worked with no more than twenty MPs since 1990, and following the fiasco in 1994 the party structure was drastically cut back because of financial constraints. Thus after the 1998 elections only few people from the narrow leadership possessed the capacity and experience to manage the 148 MPs and the party itself. After 1998, the so called "coach and six," the core around Prime Minister Orbán which included all the influential politicians of Fidesz, provided direction to the party. Besides strategy-making, the duty of the "coach and six" was to harmonize the work of the party, the parliamentary group and

the government. Apart from the "coach and six," the prime minister often consulted with his personal counselors, and similar to the role of Alistair Campbell in the United Kingdom, the spin doctors' influence rivaled that of the ministers.<sup>2</sup>

In 2000 a member of the "coach and six," László Kövér, took over the duties of party chairman. The idea was to ease the burden on the prime minister in order to free him from everyday politics, giving him a role more similar to that of a president. This shows the steadfast authority of the prime minister within the party and the parliamentary group. During four years of power, only twice did the fraction confront the prime minister. Both these cases involved relatively minor issues, and both ended with the prime minister's victory, marginalizing his opponents influence within the party. Broadly speaking, the prime minister had unanimous support among the party and the fraction.

## Tensions Within the Center-Right Government's Coalition

Being a surplus majority coalition, it was Fidesz and the FKgP that would decide upon the configuration of the government. The MDF, whose votes were not needed for majority, had little bargaining potential, and little influence on the coalition's work. Its ministry of justice has traditionally been the weakest, overseeing the smallest amount of money. Moreover, by the end of the term, the prime minister had basically taken control of the ministries.

If we want to characterize the ideological base of the government, we can find three common points in the coalition parties' interests: (1) replacing the post-Communist Socialist party and its coalition partner; (2) reinforcing social cohesion; (3) restoring the values of civic meritocracy.

In spite of deep differences in style, the coalition was stable for the first two years. The coalition experienced its greatest shock when the corruption cases of the FKgP's ministries were disclosed, tracing all the way to the leader of the party, forcing him to resign from his ministerial post. This shock to the party started its initial decline. MPs of the FKgP who survived the scandal joined the fraction of Fidesz to continue their career, while the party itself disintegrated in less than a year. A large majority of its voters turned to Fidesz. Many members of the FKgP involved in the corruption scandal claimed that Fidesz masterminded disclosures in order to discredit and undermine their party. They attempted to persuade MPs to leave the coalition, but were generally unsuccessful.<sup>3</sup> The merging of the FKgP into Fidesz led toward the polarization of the party system. All of the intra-coalition disputes took place on topics of party politics; there were practically no conflicts on policy.

## Achievements of the Civic Government

In spite of the consolidation of power that took place at the beginning of the term that augmented the decision-making power of the prime minister, the government had its hands tied by somewhat overprotective regulations originating from the immediate post-Com-

<sup>&</sup>lt;sup>2</sup> During the four years in government, Orbán's main spin doctor was András Wermer.

A relatively smaller crisis appeared between Fidesz and the MDF when the latter tried to form an alliance with parties outside the parliament to have its scope of action increased. Fidesz considered this to be a violation of the coalition agreement and convinced the MDF to halt all talks.

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munist era.<sup>4</sup> Extensive reforms could only have been carried out with the support of the opposition. But the opposition parties made it clear at the beginning of the term that they would not take part in any institutional reforms.<sup>5</sup> Due to these legal constraints, the government decided to emphasize economic growth and improving living standards instead of institutional reform.

The Orbán cabinet divided the four-year term into two parts. A moderately restrictive fiscal policy replaced the initial policy of dynamic expenditures which stemmed from the effort to fulfill electoral promises. Stagnating income growth and restrained national investment plagued the first half of the government's term.

An increase in incomes, controlled inflation (with limited use of regulated prices), growing national investments and support for certain sectors of the economy (i.e. construction and tourism) characterized the second half of the term. The government attempted to balance the unfavorable foreign economic situation by stimulating domestic demand. To do this the government initiated the so-called Széchenyi Plan in 2001.<sup>7</sup> The aim of the program was to use the benefits of the robust and stable economic boom that began in 1997 to improve living standards and dissipate regional inequalities. The program, aimed mainly at small- to mid-sized entrepreneurs and local authorities, was unique in the sense that not since the regime change had such an intense effort been put forth to boost the economy. As of 2000 the emphasis was on a housing policy that reached broad sections of society.

Similar to the New Deal in the United States in the 1930s, the Széchenyi Plan offered a chance for Hungarian employment to move closer to the European standard, while trying to reduce unemployment. As a result of broad national investments and support for investments starting in the second half of the term, employment rose by 4% (approximately 150,000 people),8 with unemployment falling by 2% as a consequence, the rate of economic growth rate was 4-5%, among the highest in the region even with sluggish growth in the European economy.

It was widely expected that the government could achieve economic growth without cutting back on social policy. In order to live up to this expectation, a real increase in purchasing power had to be accomplished with the help of a radical decrease in inflation and a rise in wages. While incomes were stagnant throughout the first half of the term, they began to grow in 2000. The government ambitiously sought to double the real value of the minimum wage in two phases. While the purchasing power of wages per person and the real rate of retirement funds had reached the 1990 level, income per person still remained ten percent lower than in 1990. Raising the minimum wage had a positive effect on the 27%

There is a total of 34 subjects of legislation that need a majority of two thirds of MPs to change a law, such as armed forces and their duties, local authorities and their basic rights, public and commercial TV and radio stations, etc.

The proposal of Fidesz to subordinate the prosecutor to the government, similar to Western European practice, was turned down by the MSzP. A similar disagreement obstructed the reform of the electoral law and the attempt to reduce the number of MPs.

<sup>&</sup>lt;sup>6</sup> About three quarters of the promises from the initial 40 points were carried out, mostly those implying direct financial help to voters.

The project was named after one of the most famous Hungarian personalities of the 19th century, Count Széchenyi, who offered all his personal fortune and talent to help Hungary to flourish.

<sup>8</sup> Source: http://portal.ksh.hu/pls/ksh/docs/hun/xftp/idoszaki/pdf/memer104.pdf

<sup>&</sup>lt;sup>9</sup> From the previous €100 to approximately €200 per month.

of employed workers in the country – a drastic change from the 75% decrease in the real value of the minimum wage during the previous government.<sup>10</sup> The rise in employment, income and wages accompanied a considerable decrease of inflation.

While the Széchenyi Plan was representative of the cabinet's economic policy, the family was the focus of its social policy. The family unit was a major beneficiary of the government's redistributive policies and a tool to further the goal of building a stronger nation built on community. In terms of practical policymaking, this meant broadening social-cohesion systems, tax benefits and the aforementioned home-building credit-program. Besides restoring social benefits cut by the Socialist government, the center-right cabinet preferred to grant tax breaks in order to benefit middle-class families.

These government policies constitute only a small part of four years of work, but they help to demonstrate the difference between the Socialist cabinet's neo-liberal policy and the concept of a deliberate increase in the role of the state.

Attempting to pinpoint which groups of society the government's measures were aimed at, we could highlight (1) the employed members of the active age group with expertise or financial resources who live in families and (2) those wanting to be part of this group. While the first group is generally considered to be the "middle class," in the civic in the rhetoric of Fidesz, the second was open to everyone willing to make the effort needed.

## III. THE DOWNFALL

## Facing Post-Communism

The center-right government's primary goal was to bring the transition from Communism to its conclusion. The title of Fidesz's electoral campaign and manifesto, "The Future Has Started" reflected this goal. This slogan reflected two themes: the beginning of a long-awaited and more prosperous future and the end of post-Communism. Fidesz thought that the post-Communist and the civic virtues had conflicted with one another in the past, while the new policy of the center-right government was to expunge the post-Communist set of values and start anew. "The forces of the future have lined up," said Orbán to the party congress preceding the elections on 16 February 2002.

Fidesz faced several obstacles in this task. First of all, creating a new set of values with an implicit rejection of post-Communism would appear radical. As mentioned above, one of the most remarkable characteristics of the 1998 elections was the intensity of political conflict. But parochial Hungarian voters, traditionally adverse to conflict, considered this inappropriate behavior. Even many right-of-center voters did not understand that developing a new set of values would involve a certain degree of conflict.

The left attempted to portray the right, primarily Fidesz, as war-mongers. Consolidation of civic virtues and the continued attempts to replace the post-Communist political struc-

Hungarian Statistical Yearbook 2003: KSH 2004, p.96.

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tures deepened political cleavages. Fidesz, the initiator of the conflicts, eventually paid for this with a decline in its popularity.

This was only one dimension of the opposition's criticisms of Fidesz "radicalism." These accusations met with a favorable reception when the Fidesz-led government focused on the compromises agreed upon around the fall of Communism and tried to cut the network of connections saved from the Communist era. At this point, Fidesz was no longer seen as a simple "troublemaker," but rather as an authoritarian party which endangered the citizenry's right to privacy<sup>11</sup>. In this election year, the Fidesz government was characterized as a totalitarian dictatorship threatening Hungarian democracy. Actual Fidesz policies were irrelevant to the left, since they felt that the rightist government had to be rejected on moral grounds.

Fidesz's task (i.e. ousting the post-Communist set of values) automatically produced conflicts which were not welcome by most voters. The left presented this attempt as an attack on democratic institutions and as an effort to build up a dictatorship. One of the most important factors leading to the Orbán cabinet's defeat was succinctly summarized by the leftist publicist, András Bozóki, in 2002: "The government lost the elections for it wanted to reach two goals conflicting one another: "moral revolution" and "consolidation," both of them with a "single blitz." It placed confrontation ahead of compromise which the voters did not honor." (Bozóki, András, "Political Community or Cultural Community?," in: Sükösd-Vásárhelyi (eds) *Hol a határ?*, Budapest, 2002)

## Corruption

As mentioned, the abuses surrounding the Socialist government's privatization plans played a major rule in the center right's 1998 victory at the polls. Therefore it is not surprising that a 1996 survey revealed that citizens associated privatization with corruption and the Socialists as the responsible perpetrators of these misappropriations. <sup>12</sup> One of Fidesz's electoral promises was to re-evaluate the existing set of state-owned properties and to end misuse by selling some portion of them by the end of the term. This pledge mostly meant acknowledging the status quo in 1998 because by then 80% of state-owned property had been privatized. The center-right government that took over in 1998 hence missed the "big business" of the 1990s; it renounced privatization and retained the state-owned enterprises, considering them to be strategic assets.

Center-right parties in power realized that it was the economic lobby that benefited from privatization by supporting the MSzP, making it a major player in Hungarian politics. The governing parties believed that in order to successfully challenge their rivals they had to find supporters in the business sector while creating a realm of influence that could be

12 http://www.mtapti.hu/mszt/19984/vasarhel.htm

This is well demonstrated by the following lines by the well-known Hungarian leftist publicist László Lengyel: "During the spring of elections [i.e. 2002], the voter had to face the fact that the moral watchfulness not only observed one's public life, but the private as well. Authorities intruded into his bed, into his children's room, checked what he ate, examined and rated whether or not he went to church and had extra-marital sexual life, read any liberal newspapers or watched any television programs he was not supposed to. It appeared that authorities had been spying on the voter through his children, his neighbors, his teachers, his doctors, his priests and that this awareness would not drop but instead increase should he vote another four years for the Orbán government." (Lengyel, page 121)

relied upon if and when they lost power. Orders by the state were a part of the tools to build such a realm of influence, allowing companies close to the right to expand party-patronage to the state's enterprises. Apart from controlled "investments" by the state, Fidesz made efforts to co-opt the right-of-center intelligentsia by creating or sponsoring numerous foundations and non-profit companies, as well as trying to place its supporters in the directorates of existing social organizations. Both attempts were partially successful. Fidesz successfully increased its influence in state-owned banks and big companies, but there was no time to build up an entire economic network. Moreover, it was a bitter disappointment for voters to see Fidesz participating in the same type of behavior that had driven the Socialists out of power, especially since voters had expectations that the new government (particularly Fidesz) would seek to correct the corruption of the past.

The MSzP quickly discovered the effectiveness of this issue and focused on keeping as many corruption cases on the docket as possible as elections approached. Attacks were almost exclusively aimed at the prime minister and his closest advisors, suggesting that he abused his mandate for personal financial gain.<sup>13</sup>

The opposition stressed the corruption scandals of the government rather than any policy failures, and this tactic tainted every government decision with the suspicion of corruption. It may be said that the right did not lose the fight against corruption but only the debate about it (*See* Csizmadia, Ervin, "Parties and Corruption as Thematization in 2000," in: Kurtán-Sándor-Vass (eds) *Political Yearbook of Hungary 2000*, Budapest: Demokrácia Kutatások Magyar Központja Alapítvány, 2001).

While one of the main points of the Fidesz manifesto in 1998 was about protecting national assets, it constituted only a small component the 2002 electoral program. Fidesz realized in 1998 that regime change and democracy meant more than reforms carried out in certain institutions and believed that it should involve a reaffirmation of ethical and moral standards. System change is not just a change in methods but the process of restoring justice. Cases of corruption between 1998 and 2002 weakened Fidesz's position and suggested that new elite was growing rich behind the scenes of democratic institutions.

## The Gate-Keepers

The influence of the media on Hungarian politics has grown in recent years. To understand the position of the press in Hungary, it is necessary to analyze the distinctly Hungarian characteristics which set it apart from the press in other nations. As opposed to Western practice, the Hungarian media work under strict party control. This is evident in the structure of ownership, as well as in the strong interrelationship between the media elite and party politicians. These two groups have never been separated in Hungary, and both print and electronic media are subject to the rules of politics. This is also true for the public and the commercial media, meaning that a given medium's political persuasion has a direct effect

The most unjustifiable of these attacks was one on the prime minister's father. According to the opposition, Orbán allegedly ordered a state company to present a sub-contract offer for his father's mines. Though the allegations were never proven to be true, the opposition's strategy was successful, and by the end of the term all surveys showed the highest corruption perception to be clearly attached to Fidesz amongst parliamentary parties. Source: http://www.gallup.hu/Gallup/monitor/kutatas/030915\_korm.html

on the public's view of a given politician. According to a survey in 2000, 29% of journalists would have voted for the MSzP, 24% for the SzDSz, and only 22% for the governing coalition (See Borókai, Gábor, "Government Communication – In an Unfriendly Environment," in: Kurtán-Sándor-Vass (eds) *Political Yearbook of Hungary 2002*, Budapest: Demokrácia Kutatások Magyar Központja Alapítvány, 2003). This means that leftist parties' support was more than twice that of the right, representing an overrepresentation of the left in the media.

According to the statistics<sup>14</sup>, the market share of the leftist media is much greater than that of the right. This has a strong influence on coverage and the attitude towards the government, especially during elections. It is also true that the media was utterly subordinated to party politics during the electoral campaign in 2002. This clearly favored parties who were able to reach a greater proportion of the public through the "friendly" media, i.e. the MSzP. Much less media coverage was available for the right to convey its messages to the voters. Though the right took control of the public media, public TV was less influential. Nonetheless, the Socialists and liberals accused the government, especially Fidesz, of monopolizing public media in order to influence the opinion of the voters.

## The Campaign - Unforced Errors

## Unsuccessful Strategy

Fidesz had absorbed almost the entire moderate right by the 2002 elections. It had integrated almost all of the parliamentary group, as well as a great part of the voter base, of its former coalitional partners. MDF entered the elections on a joint list with Fidesz. After the joint list was created, the "right" coincided with Fidesz, which embodied the only viable opposition to the post-Communist MSzP and its liberal satellite party, the SzDSz.

In contrast to the 1998 elections, both parties prepared for the 2002 campaign carefully and well in advance. In another first, both sides used campaign techniques found in the United States and Western Europe (*See* Mihályffy, Zsuzsanna, "From the Media to the Neighborhood," Paper to be presented at the 7th Annual Kokkalis Graduate Student Workshop, 2005.) The stakes were high, and the campaign reached a level of intensity unmatched in Hungary's short history of democratic elections. Fidesz saw the election as a legitimization of a four-year fight against post-Communism. A victory would have justified its policies and created the moral basis for further demolition of the remaining post-Communist structures. Both sides realized that the right's victory would have weakened the post-Communist party and possibly destroyed its ideological base. Another question to be resolved was which government would lead the country into the EU. It was assumed that the government which led Hungary into the EU would reap tangible political and financial benefits that could virtually carry them into victory for three to four terms in the future. It seemed that the 2002 elections would not only affect the upcoming four years, but would determine the balance of power for another decade or so.

Fidesz followed its 1998 strategy by consciously avoiding the tools of a negative campaign. Fidesz used positive themes and avoided controversial and provocative ones. The main message of the campaign was the success of the government. It featured an impres-

sive marketing campaign that highlighted the massive resources that were invested into the state through the Széchenyi Plan<sup>15</sup>. MSzP campaign strategists immediately attacked the prime minister, but Orbán kept his promise and stayed busy with governing instead of campaigning. By not responding to the accusations, the core of the right's voters was incensed and increased its activity, while the undecided voters felt that the silence of the prime minister betrayed his guilt. MSzP voters simply had their views reinforced.

The success of the MSzP campaign, which began in 2001, was built on the simple concept of creating a local network based on interpersonal connections that emphasized fieldwork by party activists. The MSzP ran a campaign which stressed an active presence in the streets. It also utilized the media and direct-marketing tools to maximize mobilization. The MSzP's use of foreign techniques for the campaign greatly contributed to its success.

## Sticks and Carrots

While Fidesz declined to run a negative campaign, the MSzP entrusted the preparations for the 2002 parliamentary elections to Ron Werber, an Israeli campaign advisor. He had previously conducted several successful campaigns of the left in Eastern Europe and in Israel and gave considerable help in planning and arranging the negative campaign, as confirmed afterwards by several directors of the Socialist campaign (Baja-Tóbiás-Szigetvári, 2003, page 1302). The campaign kept the government's corruption cases on the agenda, while the smaller opposition party, SzDSz, criticized the constitutionality of the government.

Whereas the SzDSz used an exclusively negative campaign, it was the MSzP's task to communicate the positive messages. The MSzP had two choices; one was to criticize the government's achievements in economic and social policies, and the other was to acknowledge the cabinet's efforts and promise even more. The MSzP clearly knew that voters were focused on economic issues. Voters were satisfied with the cabinet's economic policy and were optimistic about the future, although not to the extent suggested by the government's advertisements. So they opted for the second option. Their message acknowledged that the economy was doing relatively well, but claimed a corruption-free cabinet could manage the state better. They promised the people more support, stating in their manifesto that "Hungary Deserves More!"

When comparing the electoral promises of Fidesz and the MSzP, it is clear that the MSzP outbid its rival in every way. The MSzP declared that it would continue without any changes and expand the programs granted by the previous government. One of the differences between the two parties was that where the manifesto of Fidesz promised an increase in the support for developing sectors of the economy, the MSzP guaranteed money for the direct consumption of the population without having to work for it. These promises were meant to be delivered within the first hundred days of government.

## The Defeat

Fidesz, despite its misguided campaign strategy, was shoulder-to-shoulder with the Socialists until the eve of the elections. The last opinion polls before the elections suggested

To emphasize this, Orbán declared that, contrary to the usual practice, the government would keep working even during the campaign. Orbán himself, upon whom the entire campaign was built, thus excluded himself from daily political battles and started his campaign only three weeks before the elections.

that Fidesz would have a comfortable victory, securing more than half of the parliamentary mandates and thus forming the government with its partner, the MDF. This mistake was not only methodological, but also due to the mobilizing force of the MSzP's campaign structure. While exit polls estimated a 68-70% turnout, relatively high for a Hungarian election, it actually turned out to be 4-6% higher. It was exceptionally high in Budapest and the industrial towns, the strongholds of the MSzP.

The directors of the Socialist campaign used the British model as a guide for the MSzP's mobilizing system (*See* Baja-Tóbiás-Szigetvári, "One Step Ahead of Our Rivals," in: Kurtán-Sándor-Vass (eds) *Political Yearbook of Hungary 2002*, Budapest: Demokrácia Kutatások Magyar Központja Alapítvány Baja-Tóbiás-Szigetvári, 2003, pages 1294-1297). The system mobilized large masses of politically inactive citizens over a period of a year and a half. A further issue was that in previous elections, turnout was lower than what was suggested by the exit-poll data, thus hampering the ability of pollsters to predict the outcome.

Fidesz lost the first round of elections by a couple of thousand votes, but it did not give up the battle. The party changed its strategy in less than a day and during the short two weeks between the two rounds, Fidesz carried out an effective campaign against the left which resulted in a victory in the second round, although one that was not sufficient to change the final outcome of the elections. This clearly illustrated what kind of a result Fidesz might have achieved had it not stuck so rigidly to a purely positive campaign.

The new government formed a Socialist-liberal coalition under the leadership of Prime Minister Péter Medgyessy.

## IV. MORE THAN A CHANGE OF STRATEGY, LESS THAN AN IDEOLOGY

Ever since 1998, Fidesz has battled the Socialists' accusations of politicizing and polarizing Hungarian society. Around the 2002 elections and the period that followed them, the accusations became so prevalent that a majority of Hungarian voters considered it to be a matter of fact that Fidesz was "the divider." This cleavage, however, tied rightist voter's loyalty to Fidesz. This was vital for a party which had its support boosted from five to 40% within a few days' time in 1998. In other words, if Fidesz wished to turn its group of sympathizers into a stable and broad base of supporters, it needed to forge emotional ties and create a distinct identity.

The political conflicts and electoral battles Fidesz faced helped develop an intense emotional attachment between its politicians and the supporters that was unique to Hungarian politics. This connection was not shattered by the defeat in 2002, but instead the unity and *esprit de corps* of the civic voters became stronger

## Movement for Stabilization - Expanding to Become a Union

The primary aim of Fidesz in 2002 was to institutionalize these emotional ties. The first task was to create the "civic circles movement." Two weeks after the defeat, between the two rounds of elections, many unregistered rightist organizations were formed. The defining features of these civic circles were their opposition to post-Communism, engagement

with civic virtues and dedication to a highly active public life. More than ten thousand civic circles were created country-wide within a few weeks. Their functions were coordinated by Fidesz in the beginning, but as time passed they gained more independence from the party (building a new center from public donations, etc.). The way they worked and their role were somewhat similar to the clubs of *Forza Italia*.

While organization of the civic circles movement served to stabilize the status of Fidesz and the right, the party was isolated from swing voters. Consequently, Fidesz had to redefine its politics. Upon evaluating the failure at the polls, it was clear that Fidesz was not sufficiently organized. The relative weakness of the party organization was also a consequence of a necessity to fill vacant civil-service posts after the victory in 1998.

Attempting to capitalize on the lessons learned in its electoral loss, Fidesz – Hungarian Civic Party decided to drastically redefine itself. At the biannual congress in May 2003 the name was changed to Fidesz – Hungarian Civic Union. The goal was to transform the party into something akin to the modern European people's parties, especially in terms of the number of members, personnel and structure. This meant combining two traditions of party evolution – that of the "Latin" and the German. Examples for the people's party-like structure were found in the German Christian Democratic Union (CDU) and Christian Social Union (CSU) and the Austrian People's Party (ÖVP), while membership was based upon the examples of "Latin" countries' center-right parties like the *Forza Italia* and the French Union for a Popular Majority (UMP) (*See* Navracsics, Tibor, "The European People's Party's Birth," unpublished manuscript, 2005.).

Fidesz was the first Hungarian party to introduce individual constituency organizations that paralleled the traditional township level organizations. A constituent president, named by the president of the Union upon the proposal of the local councils, leads the constituency councils. He is personally responsible for the electoral preparation of Fidesz in the given constituency, having authority over the local groups' presidents. This was a definite shift from the previous administrative-unit-based organizational structure. Transformation brought along changes in functional areas, as well. Eight auxiliary organizations (farmers, villagers, those active in cultural, workers and employees, women, pensioners, local authorities, and ecologists) were formed after May 2003 for supporters who wanted to avoid professional politics but who wanted to become involved in one of these fields.

The most remarkable change was the boom in membership and the development of new organizations within Fidesz. The expansion to a union made the party accessible for many who were previously unable to enter the system. As a result of this, massive entries in the second part of 2003 and the beginning of 2004 tripled the party's membership and improved national coordination efforts. Fidesz – Hungarian Civic Union thus became a real people's party, the only one capable of challenging the MSzP's far-reaching and superbly organized system.

## Change in Communication

Besides building the party structure and addressing competitive disadvantages, Fidesz also had to develop a new image to improve the party's negative perception among voters. The primary aim was to increase its appeal with independent and leftist voters. The concept of a union emphasized that Fidesz was more than a party and welcomed everyone as a member.

To illustrate this point, two inexperienced, but well-known former Olympic champions commonly assumed to be supporters of the left, Pál Schmitt and Zoltán Pokorni, were chosen to be vice presidents at the congress in May 2003. A number of well-known, but unpopular politicians were pushed into the background, while previously lesser known ones were given a chance. Orbán, returning to lead the party, guaranteed continuity in its general direction and carried out the sometimes contentious changes while relying on the strength of his personal authority. His leadership, although a uniting force for right-ist voters, was still unacceptable for many other voters. To attract these voters, Orbán himself had to change. In an effort to soften his rhetoric, emotional elements faded from his speeches, as did the value-centered messages sent out to rightist voters. They were replaced by materialistic questions that interested the entire voting population like inflation, taxes, unemployment, etc.

Almost a year after converting to a union, during his American-style annual speech addressing the nation, Orbán spoke directly to the leftist voters and "absolved" those who did not stand up against the Communist dictatorship because of a desire to protect the welfare of their families. <sup>16</sup> Though Fidesz has emphasized that it was not against the average man but rather the Communist elite, this message had been successfully obscured by the opponents' propaganda.

## Mobilization

Fidesz concluded that one of the reasons for its 2002 defeat was a weak mobilization effort. Though the moderate campaign was a part of the strategy, leaders of Fidesz realized that the delay in party building seriously limited its mobilization efforts. The restructuring discussed above stemmed from this realization. Elections to the European Parliament (EP) provided a good opportunity to test the new system.

Fidesz also initiated an ambitious program, called the National Petition, which was marketed as a questionnaire that was targeted at the average Hungarian voter. The National Petition, initiated on 27 March 2004, included five demands for the government. These included that the price of medicine be reduced, subsidies for the farmers be increased, home-building support introduced by the civic government be restored, the process of privatization be halted and a cap on the annual increase in the price of gas and energy at 5% be imposed. During the next month activists of the Union appeared in every major city and reached almost every village in an attempt to collect one million signatures. On 15 May 2004, Orbán and Pokorni announced the achievement of this goal.

Activities featuring direct democracy were complemented and supported by the tools of parliamentary action. Fidesz put forth a motion in parliament, and at the beginning of June 2004 a bill was presented that dealt with the issues addressed in the National Petition. Although the governing majority refused to discuss the bill, the demands of the National

<sup>&</sup>quot;Many are those in Hungary today who believe to have lived a safer and even better life in the previous regime. They feel uneasy and even anxious when they see some rejecting the Socialist era – including those, who, so to say, made certain compromises, although they just tried to make some sort of a living, tried to be happy and tried to provide a safe life for themselves and their loved ones. If we want to have the fears relating to the past evaporate from public life, it is up to us, the younger ones who have made the regime change to show the elder ones that we understand them and their lives." Viktor Orbán, Ocotober 2004.

Petition have been the fundamental principles for the Union's policies in the most recent budget debate and in many parliamentary debates since.

## The Electoral Campaign for the European Parliament

Although the success of the National Petition was a reason for optimism, the victory in the EP elections validated the reorganization of Fidesz and its new strategy. The importance of the elections, similar to other Western countries, primarily concerned domestic politics. Fidesz asked the citizens in disagreement with the government's policies to force it to keep its promises by saying yes to the petition's demands. Fidesz thus sought to portray the EP elections as a vote against the government, a seemingly effective strategy given the unfavorable popular perceptions of the cabinet. Governing parties also accepted this interpretation and based their campaign on the extensive welfare measures taken following the 2002 elections. Fidesz's strategy proved to be correct and the party had the biggest victory in its history, obtaining 47.4% of all votes and acquiring 12 out of the 24 mandates. These results made Fidesz one of the most successful center-right parties in Europe.

The importance of the elections went beyond the number of mandates obtained. The landslide victory undermined the popularity of Socialist Prime Minister Peter Medgyessy and the support of the governing parties. Two months later, a cabinet crisis developed which resulted in the prime minister's resignation in August 2004. This was the first overthrow of a prime minister in Hungary's post-Communist history.

## The MDF on a Separate Path

The MDF had long had a minimal influence in the right-of-center coalition. It had little chance of forging an autonomous position in the Orbán government with authority only over the insignificant ministry of justice. But the situation has changed since the elections. Though for some time after the elections the idea of forming a joint coalition with Fidesz arose, the instead MDF declared its independence. Despite declaring strong support for Fidesz, it was clear from the beginning that the two parties would part ways. The MDF presumed that with the FKgP gone, it would have greater bargaining potential. Ibolya Dávid, president of the MDF attempted to reach the "moderate" and "central" voters following the elections, trying to create a base for the MDF.

The goal of MDF was to build up enough support to get into the parliament on its own. Should it stay permanently below 5% it would harm the right's chances since it would take away 2-3% of Fidesz's base without gaining any seats for the right in the parliament. Reaching the threshold of 5% in the EP elections was thus a significant milestone in MDF fight for political legitimacy. This reinforced MDF ambitions for autonomy and forced out MPs supportive of stronger cooperation with Fidesz. This strengthening of the MDF is somewhat misleading. Despite its results in the EP elections, according to opinion polls the party's support is still around 1-2%, and it would have no chance in parliamentary elections. Also, MDF's voter base has been undermined by the Fidesz slide to the center. It is in MDF's interest to bargain with Fidesz while the opportunity for electoral cooperation still exists, but judging from the party's latest declarations, this does not seem likely.

## Outlook

Although it is too early to predict a winner for the general elections in 2006, Fidesz has a solid lead on the governing parties. Falling living standards, pessimistic expectations among the population, internal crises within the MSzP and tension between the coalition parties all bode well for Fidesz.

The reasons behind this are due to the radical changes that took place within the party in terms of communication and party organization, the same factors that contributed to its victory in the 2004 European Parliament elections. Currently, the party is materially and "mentally" backed by a stable base of supporters. But its inability to break through the bias of the media still handicaps Fidesz. The party still faces a passive and dissatisfied electorate that has been cultivated by a biased media. Resolving the conflict with the MDF is a serious challenge, since failure to do so could waste some two to 4% of votes for the right in 2006. Avoiding this will require great flexibility and generosity from both parties. Nonetheless, the hopes and prospects of the right in the upcoming elections are high.

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## **APPENDIX:**

## List of Major Parties and Their Acronyms

Alliance of Free Democrats - SzDSz Christian Democratic People's Party - KDNP Fidesz – Hungarian Civic Union - FiDeSz-MPSz Hungarian Democratic Forum - MDF Hungarian Socialist Party - MSzP Independent Smallholders Party - FKgP Party of Hungarian Justice and Life - MIÉP Workers' Party - MP

## Relevant Election Results (% of votes, major parties only)

Party / Coalition		1990	1994	1998	2002
Workers' Party	MP	3.7	3.2	4.0	2.2
Hungarian Socialist Party	MSzP	10.9	33.0	32.9	42.1
Alliance of Free Democrats	SzDSz	21.4	19.7	7.6	5.6
Independent Smallholders Party	FKgP	11.7	8.8	13.2	0.8
Christian Democratic People's Party	KDNP	6.5	7.0	2.3	
Federation of Young Democrats	FiDeSz-MPSz	9.0	7.0	29.5	41.1
Hungarian Democratic Forum	MDF	24.7	11.7	2.8	
Party of Hungarian Justice and Life	MIEP		1.6	5.5	4.4

## Notes:

- A mixed election system is used in the country, thus the table shows the share of party list votes only.
- MDF ran in 2002 on a joint list with Fidesz-MPSz.

## **Presidents:**

Mátyás Szűrös (23 October 1989 – 2 May 1990; provisional president) Árpád Göncz (2 May 1990 – 3 August 1990; provisional president) Árpád Göncz (3 August 1990 – 3 August 2000) Ferenc Mádl (4 August 2000 – 3 August 2005)

**László Sólyom** (4 August 2005 – present)

## **Governments:**

- 1. **József Antall** (23 May 1990 12 December 1993)
- 2. **Péter Boross** (21 December 1993 15 July 1994)
- 3. **Gyula Horn** (15 July 1994 1 July 1998)
- 4. **Viktor Orbán** (3 July 1998 27 May 2002)
- 5. **Péter Medgyessy** (27 May 2002 28 September 2004)
- 6. **Ferenc Gyurcsány** (28 September 2004 present)

# THE FAILURE OF THE CONSERVATIVE PROJECT IN LITHUANIA

## MANTAS ADOMĖNAS

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## I. INTRODUCTION

hen the Lithuanian Conservatives swept into power in 1996, there were few signs to indicate the coming patch of economic, political and social instability they would face, the ascent of populism that would emerge and the ordeal the Conservatives themselves would suffer at the hands of the electorate – all of this in the course of barely four years.

The Conservative comeback, when it happened, elicited sighs of relief among liberal and right-of-center political commentators alike. "End of the Lithuanian Syndrome?" wondered one. The "syndrome" referred to the return to power of the post-Communist parties throughout Central and Eastern Europe in the early 1990s, the trend that began with the 1992 Lithuanian election.

In 1996, a Conservative-led coalition secured control of 87 seats in the 137-seat *Seimas* (parliament) of Lithuania. The coalition, consisting of the Homeland Union (Lithuanian Conservatives, 70 seats), Lithuanian Christian Democratic Party (16 seats), and the Union of Lithuanian Political Prisoners and Exiles (1 seat), showed all the promise of becoming a new force that would redraw the Lithuanian political map in a way that Margaret Thatcher's Tories had reshaped the British political climate in the previous decade. Certainly, neither ambition, nor ability, nor political will and commitment were lacking when Gediminas Vagnorius formed his government after a landslide in October 1996.

It took only four years, however, and following the 2000 parliamentary election the Lithuanian Conservatives had to make do with barely nine seats, while their former coalition partners, the Christian Democratic party, split and demoralized, captured only two. The resulting fractions of the Christian Democrats went on, alternately, either to be gobbled up by other parties, or to dwindle to a ghost-like presence, remaining merely a municipal-level force. The Union of Lithuanian Political Prisoners and Exiles, facing political extinction, eventually merged with the Homeland Union.

This chapter will tell the tale of the decline of what initially seemed to constitute a highly promising beginning, a chance for Lithuania and a trend-setting reversal in the fortunes of center-right forces throughout Eastern Europe. Inevitably, given the subject, the present paper will give greater focus to the failures and negative aspects of conservative rule. I will try, however, briefly to do justice to the positive aspects of the conservative coalition rule towards the end of the chapter. <sup>1</sup>

## II. Pre-history of Conservative rule and Dramatis Personae

A short historical excursus is in order here. The first parliamentary election in Lithuania in 1992 ended in a surprise defeat for the popular movement *Sąjūdis* (which in Lithuanian means just that: "the Movement") which had previously led the country to the Declara-

I am indebted to thoughtful analyses by Kęstutis Škiudas, Vladimiras Laučius and Dalius Stancikas, as well as to kind assistance by Jovita Pranevičiūtė.

tion of Restoration of Independence on 11 March 1990. The election was overwhelmingly won by the Lithuanian Democratic Labor Party (LDDP), the erstwhile Communist Party of Lithuania.

The defeat of *Sajūdis* signified three things: dissatisfaction with the period of economic hardship (partly due to natural economic processes of the transitional period, and partly to the Soviet economic sanctions following Lithuania's breaking away from the Soviet Union); yearning for the economic and social security of the Soviet period, for whatever it was worth; as well as the irritable protest against *Sajūdis*' political, administrative and economic reforms which were meant to secure a democratic, pro-Western political regime in Lithuania and to promote a capitalist economy based on private ownership and individual initiative. The protest was neatly summarized in two slogans coined by the ex-Communist left: *Sajūdis* and its leader, Vytautas Landsbergis, were blamed for political "witch-hunts" (i.e., de-Sovietization of the political system) and for "wrecking the *kolkhozes*" (state-owned Soviet collective farms) through restitution of land to its rightful owners.

*Sajūdis*' parliamentary rout was compounded by the defeat of Stasys Lozoraitis, a pro-Western and pro-democratic candidate, in the presidential election in 1993. Instead, Algirdas Brazauskas, the leader of the ex-Communists, became the first president of the recently restored independent Lithuania, thus securing ex-Communist control over the whole government apparatus. This brought the first "*nomenklatura* spring," soon dubbed "the Lithuanian syndrome," as the pattern of the ex-Communist comeback spread itself over other East European countries in a short period.

With the ex-Communist LDDP challenging Lithuania's pro-Western and pro-capitalist orientation, while advocating closer ties with Moscow and condemning the destruction of Soviet-era institutions, Lithuania's political future had never seemed so precarious since the restitution of independence three years before. This prompted the need to consolidate the right-of-center, pro-Western and pro-democratic political forces, and the Homeland Union was founded in May 1993. It soon established itself as the natural leader of the political right, and most of the *Sąjūdis* candidates in the parliament joined the Homeland Union faction.

The ex-Communist LDDP, on the other hand, fairly quickly became mired in corruption and inefficiency. Its foreign policy was characterized by indecisive leaning towards the West while trying to flirt with Moscow. In domestic policy, concern with the fortunes of the common people and with safeguarding national property, loudly proclaimed at the election, was replaced with a series of corrupt privatizations of national assets and with promotion of the interests of large businesses based on the former Communist Party structures of power.

Blatant lack of concern with the common good and public opinion, the eruption of a series of corruption scandals, and a barely improving economic situation could not but lead to a certain cooling off of the typical LDDP electorate: the rural and urban poor, Russian and Polish minorities and Soviet-era sympathizers (who statistically tended to coincide with those who lost most as a result of the disintegration of the Soviet system in social, economic and political terms). As a result, very little of the LDDP electorate turned up to vote in 1996. This and the slight increase in the right-of-center electorate (bolstered by the ambitious and somewhat populist Conservative electoral program), meant a decisive defeat for the LDDP in the 1996 election, where it received only twelve parliamentary seats.

Two facts are to be noted about this election, however. First, it is important to keep in mind that most of the LDDP electorate, despite its failure to vote, retained its ex-Communist sympathies (as well as, more importantly, its anti-Conservative animus). Secondly, one LDDP political figure to pass unscathed through the reversal of the ex-Communist political fortunes was Algirdas Brazauskas, whose reputation remained (and continues to be) unsinkable, despite widely reputed shady deals, frequent inefficiency and incompetence and a penchant for malapropisms and the simplistic. The latter, alongside with instinctive political cunning, the jargon-like speech patterns of a typical Soviet-era *apparatchik*, unfeigned comprehension of simple people's concerns (though rarely the capability to address them) and (literally) towering earthy solidity combined to produce a father-like figure that represented all that was good about the Soviet era.

By contrast, the leader of the Conservatives, Vytautas Landsbergis, is frequently perceived and portrayed as overly intellectual, just a puny "musician" with a goatee (he is, in fact, a professor of music), far removed from the people's concerns and interests. His principled insistence on the moral dimension of politics was often caricatured as abstract idealism and emotional posturing, whereas a tough approach to relations with Russia (which in fact yielded excellent results) was seen as dogmatic, hard-line, dangerous nationalism. Landsbergis' use of history as point of reference for today's politics earned him admiration from those who had suffered from the Russian occupation and the Soviet regime, mostly elderly people, but it estranged the emerging younger generation of pragmatically-minded professionals to whom the Soviet era was a bygone age, better left alone and forgotten. Alone among the political figures of the 1990s, Landsbergis outgrew his direct political influence to become a symbol of those ideals for which he stood: Lithuanian independence, restitution of historical justice and morality in politics.

His second-in-command, Gediminas Vagnorius, who headed the conservative coalition government from 1996-1999 represents, on the other hand, a very different profile. This initially gray and unfamiliar political figure, "an economist with ideas," in 1993-1996 went on to become the Conservative party's *eminence grise*, thus creating the phenomenon of "two-headed eagle" in the party: "idealistic" Landsbergis versus "pragmatic" Vagnorius. The latter years of the Vagnorius government, however, were marred by corruption allegations and unsavory struggle for influence within the party. After his demise, he disappeared into the woodwork. Two subsequent Conservative prime ministers were Rolandas Paksas (1999) and Andrius Kubilius (1999-2000).

Paksas, an erstwhile stunt-pilot with a proclivity for bursting into tears and a sulky teenager's charm, has earned his place in history as the first-ever European president to be successfully removed by impeachment (in 2004, on the charges of corruption and betrayal of the national interest). His brief stint as a Conservative prime minister was characterized by failure to address any relevant issues while maintaining high popularity ratings. Never more than an opportunistic conservative, he went on to become a member of the Liberal Union and a liberal prime minister (2000-2001). Following resignation from the latter position, Paksas founded the populist Liberal Democratic Party which was to become one of the main threats to Lithuania's democratic constitutional order and its pro-Western commitments.

Andrius Kubilius, a former physicist and one of the founding fathers of the Conservative Party, distinguished himself through his resolute measures, firm grasp of domestic policy

and innovative as well as conceptual thinking. The ambitious program of internal reforms on which he embarked, though cut short by the Conservative defeat in 2000 and left incomplete, laid the foundations of Lithuania's subsequent rapid economic growth. In many a political analyst's opinion, Kubilius was the best prime minister Lithuania has ever had, and he has emerged as the lone voice of reason and responsibility on the increasingly populist Lithuanian political scene. His ironic aloofness and intellectual superiority, however, earns him more the respect of the discerning than the affection of the masses. Currently he is the chairman of the Conservative Party and, effectively, the leader of the opposition.

## III. THE ANATOMY OF THE 1996 VICTORY

Among the conditions that brought about the Conservative electoral success in 1996 one should mention, first of all, the negative factor: the indefensibly compromised Lithuanian Democratic Labor Party. Likewise important was the ability of the Conservatives to exploit its weakness.

In the electoral campaign, the Conservatives offered the electorate the prospect of economic progress through private initiative, and of improving life conditions as a result ("Your Success is Lithuania's Success," said one election poster). Their electoral campaign also employed populist promises (such as compensation of the savings lost through the devaluation of the *ruble* in the early 1990s) and a call for moral politics (with the "clean hands" slogan). The campaign was built around criticism of the evident results of LDDP rule such as the stagnant economy, a lingering sense of impoverishment and multiplying evidence of unchecked corruption. The political dividends of *Sąjūdis*' momentous achievements also worked to the benefit of the Conservatives.

Sometimes the phenomenon of the "electoral pendulum" is invoked as an explanation of the Conservative victory in 1996. This is, however, only superficially true. LDDP failures were objective: the stagnant economy, rampant corruption and a sense of the moral degradation of the ruling ex-Communist regime, as the loyal "thugs" of Prime Minister Adolfas Šleževičius forced a number of the more intellectual LDDP politicians to the margins, or even out, of the party.

Other political alternatives were weak. The Center Union had been popular in public opinion surveys, but showed badly in the election, receiving only 12 seats in the parliament. In the 1996 election, voters were more inclined to choose parties that articulated their position more clearly along the left-right spectrum, even though they endorsed moderates (the Center Party) during pre-election surveys.

On the other hand, the somewhat populist promises of the Homeland Union were also an objective contributing factor. Likewise, there had been no reason so far for distrusting the "old" politics as exemplified by the two traditional rightist and leftist parties, the Conservatives and the LDDP, as opposed to the "new" politics of the parties untested by power. This was seen by a large portion of the electorate as the universal remedy in both the 2000 and 2004 elections.

Thus the composition of the 1996 parliament along the principal party lines was the following: Homeland Union (Lithuanian Conservatives) 70 seats (51.1% of seats); the

Christian Democratic Party 16 seats (11.7%); the Lithuanian Democratic Labor Party 12 seats (8.8%); the Social-Democratic Party 12 seats (8.8%); and the Center Union 12 seats (8.8%).

## IV. Brief Chronology of Conservative Rule 1996 – 2000

When Vagnorius formed his coalition government in December 1996, the ratings of the Conservative Party and its leader, Landsbergis, stood at an all-time high (34.5% and 55.6% respectively). During the four-year period through which Conservative popularity halved twice, there were three decisive reversal points that also marked a cardinal shift of the electoral attitude towards the Conservatives.

The first critical point coincided with the presidential election at the end of 1997. Two new political figures emerged: Valdas Adamkus, who went on to become the president of the republic (1998-2002), and Artūras Paulauskas, a future scourge of the Conservatives in his role as the head of the New Union (Social-Liberal Party).

This result marked a distinct reversal of fortune for Landsbergis. He also ran for president, but received only 15.73% of the total vote. Barely a year before, Landsbergis had been among the most popular politicians, with a popularity rating of more than 50%; this defeat marked the beginning of his gradual withdrawal from active Lithuanian domestic politics.

During the intense and bitter political battles of the presidential campaign, Conservative approval ratings dropped to 10-12%. This general fall in the ratings mirrored the drop in Landsbergis' popularity. Prime Minister Vagnorius' ratings, on the other hand, dissociated themselves from the general Conservative Party ratings and soared up. Vagnorius, as an independent political figure, began outweighing Vagnorius as the representative and promoter of the Conservative political line. This tendency soon expressed itself in his increasingly independent-minded policies. The latter led to certain "diarchy," or formation of two factions, within the Conservative party and the governing coalition as a whole. Tensions started increasing between the Vagnorius-led government and the parliamentary majority controlled by Landsbergis.

From a more general perspective, the appearance of Adamkus (a Lithuanian émigré and an erstwhile American civil servant of some standing) on the Lithuanian political scene signified that the Conservatives and their allies no longer had the monopoly over the political right. Adamkus emerged as a representative of the liberal right, and, with a strong team at his side, embarked on independent political course. While he was, for the Conservatives, a welcome change from the previous incumbent, ex-Communist Brazauskas, Adamkus often acted at cross purposes, rather than in concord, with the governing center-right coalition. He was instrumental in buttressing the Liberal Union, heretofore a fairly insignificant political force popular mostly among urban middle-class and entrepreneurs. The political line that Adamkus adopted prophesied the realignment of the political scene which came to be known as the "New Politics" later on.

On the other hand, the campaign of Paulauskas (who unsuccessfully ran for president against Adamkus) for the first time raised the specter of populism – the overwhelming preoccupation of Lithuanian politics ever since.

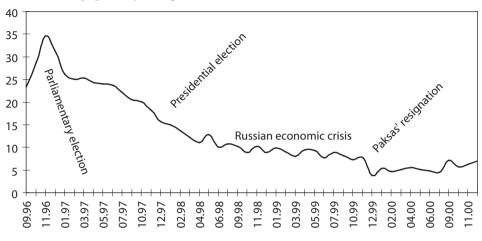
The second critical event during the conservative rule was the Russian crisis of 1998-1999. The impact of the crisis on the Lithuanian economy and diminishing budget income, as well as widespread allegations of corruption (upheld with some insistence by President Adamkus), were leading towards a government crisis. Prime Minister Vagnorius sought to draw the president's office into political confrontation, which resulted in a popularity battle between the two politicians. This was won overwhelmingly by the president. Vagnorius was forced to resign, and his ratings plummeted as rapidly as they had soared barely a year before. This did not have any great direct effect on the popularity of the Conservative Party; its ratings had already halved since the parliamentary election and were hovering around 8-9%.

Adamkus' entourage was primarily responsible for promoting the candidacy of Paksas, then mayor of Vilnius, as a successor to the disgraced Vagnorius. Paksas, however, was never identified with the Conservative Party, despite the fact that he was hurriedly elected the chairman of the party's governing board. Paksas enjoyed immense popularity ratings (around 70%). Combined with the fact that he was promoted by the president, rather than rising from within the party ranks, this created an aura of an independent political figure. From the start this aura sat rather uneasily with his commitments as the Conservative prime minister. Things soon came to a sorry impasse when a conflict erupted between the parliamentary majority and Prime Minister Paksas over privatization of the Mažeikiai Oil Refinery. Paksas, heavily lobbied by the Russian state-owned bidder Lukoil, resigned in a huff when he was leaned upon to decide in favor of the American bidder, Williams International. He left the prime minister's office and the Conservative Party in October 1999 without solving a single of the grave problems that the country was facing in the wake of Russian economic crisis. He had earned, however, a political martyr's fame, and his popularity ratings were higher than even those of the president. At Paksas' departure popular confidence in the Conservatives halved once again, dropping to approximately 4-5%, where it remained almost unchanged until the parliamentary election in 2000.

In November 1999 the prime-ministership passed to Kubilius who embarked on a series of resolute and far-reaching reforms that drew Lithuania from the brink of economic collapse and laid the foundations of Lithuania's future outstanding economic growth. Kubilius' reforms earned high praise both from President Adamkus and from the European Commission. Towards the second half of the year 2000, the Lithuanian economy was showing signs of recovery. This, however, came too late. Kubilius' term in office was soon ended with the crushing defeat of the Conservatives in the *Seimas* elections in 2000.

The alignment of the main political forces in the 2000 parliament was as follows: a broad social-democratic coalition, composed of the LDDP and the Social Democrats (eventually these would merge into the Lithuanian Social-Democratic Party), won 49 seats (34.8% of the parliament); the Liberal Union 34 seats (24.1%); the New Union (Social Liberals) 29 seats (20.6%); and the Homeland Union (Lithuanian Conservatives) 9 seats (6.4%).

## Conservative popularity ratings



Source: 'Vilmorus'

## V. THE ROAD TO FAILURE: ANALYSIS OF THE PROCESSES TAKING PLACE DURING CONSERVATIVE RULE

## **External Unfavorable Factors**

The society that the Conservative coalition inherited was marred by all the familiar scars of the post-Soviet condition: it was morally disoriented, passive in social and economic spheres, welfare-addicted, corruption-prone and characterized by a severely damaged work ethic. On top of this, one may add that it was a society with a severe split down the middle – a nation sharply divided regarding the whole project of independence and regarding its Soviet past. Moreover, it was also a society worn out by six years of crisis mentality and of hardship, with awakening appetites for a better and more secure life.

The Conservative comeback was to no small extent assisted by their presenting themselves as a force of moral change. The initial message was one of rebuilding of society's moral ties and its social capital, of suffusing the public climate with the values of dynamism, entrepreneurial spirit, transparency and responsibility. The conservative election campaign, however, also contained elements of the opposite message. Promises were made to use the profit from the privatization of national assets to refund devalued *ruble* deposits, as well as to raise pensions and salaries by as much as 150-200% in less than a year. Such promises encouraged the very passive welfare mentality that the Conservatives were setting out to combat. Once the election victory was behind them, the Conservative government found it much easier to fall back on the populist half of its election campaign. Needless to say, it did not do nearly enough to change the moral climate and values of society.

It would be hard to say now what kind of measures, short of a comprehensive re-education campaign, could have achieved such a turnaround in society's values. It would not be imprecise to claim, however, that the more thorough-going Conservative reforms were hindered by the social and political inertia which surpassed initial estimates. Both Soviet indoctrination and deeply-rooted political attitudes were proving to be more difficult to overcome than was originally maintained. Overall, the project of conservative political and social transformations fell onto very rocky ground on which to take root.

The end result was that the section of the population which was not amenable to the Conservative agenda remained virtually undiminished. It was largely passive in 1996, but turned up at the polls in one big protest vote against the Conservatives in 2000. By then this was also a society characterized by increasing mistrust for political parties and for the democratic political process as a whole. It was likewise angered by the perception of an ever wider chasm between political power-games in Vilnius, on the one hand, and the neglected, disenfranchised periphery, on the other.

One of the key pieces in understanding the jigsaw-puzzle of this period is the Russian economic crisis of 1998-1999 and its effects on Lithuanian economy and politics. Insofar as Russia was Lithuania's main trading partner at the time, the collapse of its currency and economy could not fail to send deep reverberations through the Lithuanian economy, as well. The Russian crisis followed upon a year of exceptionally high economic growth in Lithuania (GDP grew by 8.5% in 1998), and the Vagnorius government ignored the early signs of disaster. The government budget was committed to extremely high spending based on an estimated 5.5% GDP growth, and this was not revised down until it was too late. As a result, the Lithuanian economy showed negative growth in 1999: down by 2.8% from the previous year's GDP. Towards the end of 1999, the unemployment level rose by two percentage points to 11.4%. In November 1999, the government defaulted on its electoral promises to compensate *ruble* deposits. By then, however, it was too late to save the economy from crisis, but not too late to incur the rancor of those who were pinning their hopes on government hand-outs of cash in expectation of returning to their pre-1990 levels of affluence.

Austerity measures and radical reforms adopted by the Kubilius government eased the country out of the economic crisis, and in 2000 the growth of the Lithuanian economy returned to its pre-1998 level with GDP growth of 4.1%. In political terms, however, it was too little, too late.

Another feature that needs to be factored into the complex field of Lithuanian politics is the covert direct interference in it by the Russian state and by its energy-supplying subsidiaries, Gazprom and Lukoil. Russian money is reported to have fuelled Paulauskas' failed presidential campaign in 1997, as well as Paksas' successful one in 2002. Gazprom's exclusive franchise to Viktor Uspaskih elevated the former plumber into the ranks of Lithuania's richest businessmen, and the ruthlessly populist Labor Party he created would capture the biggest share of parliamentary seats in 2004. Lukoil money was almost undoubtedly behind the virulently anti-American campaign that in 1999 mobilized the extreme right and the ex-Communist left alike behind their opposition to the sale of the Mažeikiai Oil Refinery to Williams International – it was then that Paksas, future presidential impeachee, started having *liaisons dangereux* with "easy" Russian money. Several political fringe figures noted for their past links to the KGB have, by some surprise coincidence, led the vo-

ciferous, even if ineffective opposition to Lithuania's integration into NATO (one of them now is a European MP).

Most of these concerns are, and for the time being will remain, unsubstantiated, let alone voiced in public, despite tacit confirmation from the security sources and the increasingly worried tone of the annual Security Report issued by the Lithuanian State Security Department. If, however, at least some of these reports prove to have been true, Lithuanian Conservatives will be proven to have played on a far from level political field at the time when Lithuania's political future and its integration with the West were being decided.

Nor were the Conservatives helped by the development of Lithuania's political party structure. The establishment of the New Union, or the Social Liberal Party, by Paulauskas, the candidate narrowly defeated in the 1997 presidential election, and the increasingly successful performance of the New Union at the polls in 1999, raised the specter of populism once again. The New Union's program offered, *inter alia*, to slow down Lithuania's integration with NATO and the EU.

As the New Union's unavoidable parliamentary victory was looming, President Adamkus' idea to avert the implied threat to Lithuania's Westward orientation was to harness the New Union to a few parties with impeccable pro-Western and pro-democratic credentials: the Liberal Union, the Center Party and the Modern Christian Democrats, a revisionist group which splintered from the Christian Democratic Party. Thus in early 2000 a political neologism in the form of the slogan of "New Politics" was floated. The "New Politics" was also supposed to raise the standards of political life towards greater openness and morality, and was expected to heal the growing rift between society and the political elite. Among the many parts of this political *meccano*, only one – the Liberal Union – had anything resembling a consistent political ideology. When this new political derivative secured the majority of parliamentary seats in 2000, it was Paksas, by then a liberal, who was entrusted with the formation of the inherently unstable and short-lived government which was to disintegrate eight months later.

The president's venture into political engineering had a twofold result. On the one hand, the two-party system that had seemed to be the axiom of Lithuanian parliamentary politics until then was irreparably fractured. Political entities started further multiplying at the populist end of the spectrum with the foundation of the Liberal Democratic Party in 2002 and the Labor Party in 2003.

On the other hand, this uneasy marriage of the broadly left-wing, socially-minded New Union with a center-right Liberal Union committed to free market values spelt the beginning of the end for ideology-based grouping of political parties. Henceforth party ideologies would recede into the background as the primary factor distinguishing parties from one another, to be replaced by considerations of expediency and power-sharing arrangements. Nor was ideology any longer the selling point of political parties' programs. One may recall, by contrast, that in 1996 the Center Union was losing voters' support because its ideology was too indistinct. Likewise, the New Union founded in 1998 saw as its primary task the creation of a credible party ideology (admittedly, this was not an easy task for a personality-based political force). By 2000 the political tide had turned in the opposite direction, and the role of ideology was on the ebb.

Admittedly, this placed clearly ideologically committed parties, such as the Conservatives, at a disadvantage. It would be simplistic, however, to blame this tectonic shift merely on the results of President Adamkus' power-brokering effort.

The political climate in Lithuania was, in addition, influenced by Western trends, and it is in this connection that one may discern two important and related developments. The first is the emergence of the phenomenon of the "new left" with Tony Blair's victory in 1997 and Gerhard Schröder's in 1998 (and with Bill Clinton providing an important trans-Atlantic dimension). It indicated the swing of the Western political pendulum away from the center-right orthodoxy of the early 1990s with which Lithuanian Conservatives more or less directly associated themselves. Inevitably this made the Conservatives look and feel like a fading, obsolete force – a fact that the hostile media did not fail to exploit polemically.

The "new left" was closely linked with the politics of the "third way" which set itself as an alternative to both the traditional right and left ideologies. Blair's espousal of the free market along with the values of social state erased the conventional distinction between right and left values, and confused many minds in Lithuania. This blurring of the political map harmonized with another trend that reached Lithuania's shores at the time: the slogan of "non-ideological politics." The anti-ideological stance promoted the ideal of politics as a care-taking, non-controversial (and therefore, ultimately, non-political) technocratic expertise. The dominant rhetoric became that of "solving problems" vs. "peddling ideology." The Conservatives, the only consistently ideological party in Lithuania, could not but feel that the tide was turning against them.

One continues to speak of the Conservative ideological commitment despite the fact that, from the point of view of its contents, this ideology was seldom more than a jumble of unrelated and occasionally contradictory ideas. I shall relegate the discussion of its contents to a later point in the text; for the purposes of the present discussion it will suffice to say that it is still accurate to speak of the Conservatives as an ideologically committed party insofar as its political identity was characterized by a belief that conservative policies must be based on a shared body of doctrine.

With regard to the question of what exactly that doctrine amounted to, opinions often varied. The meaning of "conservatism" ranged from robustly patriotic sentiments with an admixture of pro-Western orientation, on the one hand, to economic liberalism and suspiciousness towards ideology in the Anglo-Saxon mold, on the other. ("Conservatives emphasize that they are distinct from other ideologies in that they have no ideology," asserted Andrius Kubilius in 1997.) These differences concerning the content of the conservative project indicate certain growth-related problems in conservative identity.

In the immediate aftermath of the restoration of Lithuanian independence, the political field was primarily defined through the attitude to the Soviet past: right-of-center *Sąjūdis* repudiated it wholesale, while the ex-Communists sought some continuity with, and justification for, Soviet Lithuania. This distinction, however, grew increasingly insignificant as Lithuanian independence ceased to be a burning political issue and became an established fact. When the democratic, pluralist political mechanism and market economy became entrenched, a new set of realities and problems came to life.

One may register a certain paradigm shift here. Previously, the political debate was largely defined by such issues as a means for promoting independence and democracy in Lithuania, restoring its statehood and integrating it with the West. Towards the end of the 1990s, however, it was the ability to propose solutions to urgent social and economic issues, rather than to offer grand narratives, that defined a successful politician in the eyes of the public. Likewise, the focus of the concern shifted from foreign to domestic policy.

Even when it came to integration with the West, most *Sąjūdis* politicians who were from the outset quite uncompromising in voicing their support for Lithuania's pro-Western orientation and democratic values were shown to have very scant knowledge of how Western societies actually operate. In other words, it transpired that many a conservative politician's vision of the West lacked foundation in reality. Public proclamations of the Western ideal at crucial points often failed to connect with the reality of pro-Western Lithuania that was being created.

The Conservatives were slow to realize that the rousing slogans of the former political phase no longer represented the real concerns of the society. Instead, there were several symptomatic attempts to hoist on to the public a preoccupation with ideological concerns that were entirely *passé*. Thus, for example, the ruling coalition sought to fan a political debate around the issue of whether it was legitimate to have sculptures representing Soviet-era ideological figures displayed in a privately-owned leisure park at Grūtas. The public merely shrugged off the question as irrelevant.

On the other hand, such newly-emerging issues as growing social and economic disparity, as well as political alienation between the city and the country, and between the capital and the provinces hardly received any attention. On the contrary, the Conservatives frequently adopted a defensive position by insisting on their achievements, whereas any attempts to point out new problems and challenges were interpreted as implicitly critical and subversive.

Thus an alternative emerged to the old-style politics in the politicians who had a firmer grasp of urgent social and economic issues and who could formulate pragmatic solutions to them. This new paradigm of politicians was represented, for example, in the Liberal Union: economically competent, ready to propose concrete solutions and youthful (there were four candidates under 35 among the top eleven on the party's 2000 election list). It performed well against the Conservatives, who were perceived as dealing in generalities, committed to antiquated issues and senile (the association with the Union of the Political Prisoners and Exiles did not greatly help the Conservative image, either).

The second important aspect of the ideological paradigm shift is that towards the end of their parliamentary term the Conservatives eventually found themselves without any distinctive political vision to offer. With their ambitious program of reforms derailed through internal (societal inertia), as well as external (Russian economic crisis) causes, and with their government confined to adopting unpopular austerity measures and fighting rearguard action, the Conservatives found themselves outmaneuvered on the ideological plane. The most innovative idea at the time was one of the Sunrise and Sunset Commissions, created by Kubilius in order to establish strategic landmarks for business development and public administration reform. Their activity, however, was drowned in technicalities and did not have either the expected impact or any broader appeal.

By then the Conservatives had little to offer in positive terms apart from economic liberalism, and here they were outdone by the Liberals. The latter not only wielded much more precise economic analysis, but also were able to drive home the positive aspect of their proposed liberal reforms: wider rights for local communities at the municipal level, protection of small and medium businesses against foreign interests, etc. Moreover, the Liberals were able to develop solutions for concrete problems consistent with their underlying belief in the free market and private initiative, while the Conservatives were still searching for a consistent ideological rationale behind their political practice.

The ideological barrenness of the Conservative Party was one of the principal reasons why its niche as the main party of the right was taken over by the Liberals during the 2000 elections. The immediate reaction to this development among the Conservatives was either to adopt an ever more liberal economic stance (thus aiming to criticize the liberals from the right), or to descend into pragmatic *realpolitik*.

It took the Conservative Party a few years to extricate itself from this ideological crisis. With the appearance of *Dešinioji alternatyva* (The Right-Wing Alternative) in 2003, however, the Conservatives managed to reinvent themselves, once again finding an authentic political voice and distinctive vision which have continued to dominate right-of-center political discourse. The author of this surprising comeback, Kubilius, replaced Landsbergis as the paradigmatic politician of the new generation, whereas Landsbergis' uncompromising global vision is now employed on the Conservative behalf at the European Parliament.

## The Policies of the Conservative Coalition Government

What was it about the Conservative coalition government's policies that so crucially failed to endear it to the electorate?

The program of Vagnorius' government consisted of a series of ambitious undertakings that could be broadly categorized as follows: thorough-going structural reforms in education, health care, public administration and the economy; and privatization of large state assets, such as Lithuanian Telecom or the Lithuanian fishing fleet, with a view toward attracting foreign capital which then could be used to galvanize private initiative through restitution of private property, primarily the devalued *ruble* deposits (in the year between November 1998 when the payments started and November 1999 when they were stopped almost 1.5 billion *litas*, or \$3.75 million, were paid in compensation).

Large-scale and often painful structural reforms generated much resentment, especially since the opposition was rather efficient in raising vocal protests. When it came to privatization of state assets, the Conservatives fell afoul of a seeming inconsistency, insofar as they had been protesting against the earlier (admittedly, very corrupt) privatization of state assets by the ex-Communist LDDP, but then embarked on a round of privatizations of their own. In the eyes of the public privatization became simply a "property grab" on behalf of the Conservatives.

On the other hand, enjoying such overwhelming parliamentary majority (87 seats out of a total 137), the Conservatives sometimes did not feel obliged to justify or explain their policies, reforms and decisions to the public. With assiduous help from the opposition, the

image of the Conservatives as the "arrogant party" was rubbed in so deeply into the public consciousness that it has been impossible to get rid of it until now. This was not the case when the Conservatives had just arrived in power. In fact, at that point they constituted a marked contrast to the increasingly corrupt and stagnation-prone LDDP.

Vagnorius' rise in the Conservative Party contained a promise of a new-style party management. The party governing board he formed was built along the principles of unified and efficient political command. These principles, however, were abandoned with the subsequent reorganization of the party structure. As a result, power in the Conservative Party was divided between the presidium that wielded most of the influence, and the council that was formed chiefly, though not exclusively, along the lines of regional representation. This reform of the party towards "democratization" through giving greater say to regional organizations has, in fact, undermined its efficiency, insofar as provincial organizations are apt to come under control of regional "chiefs" who have been proving to be less-than-adequate players on the national political scene.

Moreover, Vagnorius' period saw a rise and entrenchment of conformism and the politics of "clan" within the Conservative Party. This practice did not entirely disappear with his demise, insofar as the figures who came to occupy the forefront of the party thereafter were not his opponents, but rather those who had managed best to conform to Vagnorius' rule. Self-enclosed party structures, especially among its lower echelons and especially in the provinces, have continued to prevent attracting new members to the Conservative Party. The local organizations have likewise had little use as the party's feelers whereby it could interact with society at the grass-roots level. The Conservative Party was also somewhat weakened by the formation of a splinter group (the *soi-dissant* "moderate Conservatives") around Vagnorius after the latter's resignation as prime minister. This has continued to drain some small proportion of the Conservative vote.

A more serious blow was the dismantling of the Conservative-Christian democratic governing coalition just before the 2000 election. The Christian Democrats pulled out of the coalition hoping to dissociate themselves from the Conservatives, perceived as the "establishment" party and held solely responsible for the previous government's mistakes. This strategy clearly backfired for the Christian Democrats (they were pretty much wiped out in the election), but it also further damaged the Conservative reputation.

Public relations were fairly effective and well-organized while the Conservative Party was still in opposition. It soon went downhill, however, with the ascent of the Conservatives into power. During the Conservative government, numerous important and far-reaching reforms were carried out in the spheres of education, health care and public administration. Foreign investment was attracted through successful privatization of state-owned companies, and significant progress made towards the membership in the European Union and NATO. Nevertheless, the only praise that these reforms and policies received was from foreign experts; the press coverage was predominantly negative. Towards 2000 public opinion firmly branded the Conservatives as the party guilty of "selling out" and impoverishing Lithuania.

In many cases this is attributable to the public officials' incompetence and perhaps unwillingness to engage in public relations. "Let our works speak for themselves" – such has frequently been the dominating attitude, and thus the public was left without means to understand the complex and occasionally painful structural reforms that were carried out. On the other hand, conservative politicians have often had a love-hate relationship with the media. Media criticism is often taken as a declaration of hostilities, with further relations severed in a torrent of accusations.

Furthermore, the Conservative project was not helped by the public relations policy adopted by Vagnorius: a quiet deal was made with the principal media to eschew criticism of Vagnorius and his government. Moreover, the government's public relations efforts were directed primarily at the increasing the popularity of Vagnorius and his government. Thus not only were the Conservative Party and the conservative project as a whole left in the shade, this arrangement also worked against the Conservative parliamentary majority at whose expense Vagnorius' popularity rose.

On the other hand, the left-wing opposition was extremely efficient in playing the publicity game. Its slogans, though often politically irresponsible and formulated without consideration of the common good (such as branding the privatization of Lithuanian Telecom as "a sell-out to the foreigners"), nevertheless captured popular and media attention. Thus, when it came to media battles, Conservatives inevitably lost, adding to their image as a reckless group serving foreign (i.e., Western) interests at the people's expense. Most significant in this respect is the case of the Mažeikiai Oil Refinery privatization in 1999. The Conservatives understandably defended the Lithuanian energy market from the prospect of Russia's increased control. This was represented, by the left and the media alike, as unpardonable squandering of the state assets and fawning to the United States, almost probably with ulterior egoistic motives. The case of Mažeikiai came to haunt the Conservatives, especially since Williams International soon defaulted on the obligations it undertook with the purchase, selling the refinery to the Russian-based Yukos.

Nor were the Conservatives better equipped to deal with the opposition. The latter's attacks may have been irresponsible and unconstructive, but the Conservatives did not manage to outgrow the rules of the game forced on them. Retaliation in kind, parliamentary give-and-take, shrill accusations: all of this contributed to undermining the confidence of the electorate in the conservative project. Even more damagingly, it reinforced the sense of the futility of the political process as a whole.

Arrogance towards the populace at large outside the immediate circle of party supporters, especially in the provinces, also contributed to the deepening of political alienation. The whole political process was thereby perceived as corrupt and ultimately self-interested by ever-widening circles of Lithuanian society. It is in this alienation and the anti-establishment resentment generated by it that one should search for the roots of radical populism which would come increasingly to dominate Lithuanian politics in the early 2000s.

## Was All Squandered? Positive Aspects of Conservative Rule

It would be wildly inaccurate, however, to describe the four years of conservative rule as undiluted doom and gloom.

First of all, these years saw decisive progress in terms of Lithuania's Westward integration. Negotiations to enter the European Union began in 1999, and membership in NATO moved nearer, despite the dashed hopes of Lithuanian diplomats and society in 1997, when

Lithuania was not invited to start NATO entry negotiations with the first wave of Central European applicants. Moreover, Conservative political and public-relations efforts managed to turn European and Atlanticist integration into a part of the shared political agenda which, by 2000, hardly any political force would dare to challenge openly. (It is important to remember, for example, that there had been allusions to an attempt to withdraw Lithuania from the processes of EU and NATO integration in the electoral platform of Paulauskas, the populist contender for presidency in 1997.)

In terms of domestic policies, Kubilius' stint as prime minister saved the state from default in the aftermath of the recession induced by the Russian economic crisis. "Tough measures" and deep-going structural reforms started to yield positive results once the recession was over. Kubilius also put in place the prerequisites for subsequent rapid economic growth that was highly commended by the European Commission. The years of the Conservative coalition government also saw the incipient widening of the middle class, whereas Vagnorius' public administration reforms brought about the emergence of a fairly efficient and politically neutral civil service.

## VI. AUTOPSY OF DEFEAT

These positive aspects notwithstanding, the Conservatives suffered a crushing defeat in 2000. A look at the statistical figures reveals its extent. In the 2000 parliamentary election only 126,850 voters, or 4.8% of the total number of registered voters, voted for the Conservatives. This represents a dramatic drop from 409,585 or 15.8% of total registered voters that voted for the Conservatives in 1996.

By comparison, the increase of the Conservative/*Sąjūdis* vote from 1992 (when *Sąjūdis* lost) to 1996 (when the Conservatives won) was fairly insignificant – from 393,500 (15.4%) in 1992 to 409,585 (15.8%) in 1996. Thus while the 1996 election was decided by the failure of left-wing voters to turn up to vote, rather than by an actual increase in the ranks of Conservative supporters, the results of the 2000 election show an overwhelming downward trend. It ought to be noted that heretofore Conservative Party voters, by contrast, had constituted the most stable, loyal and, well, conservative electoral group.

Analysis shows that this radical decrease in the number of voters can be put down to one of the three reasons: (1) disappointment in Conservative policies leading to voter abstention; (2) blue-collar conservative defection – they followed in the wake of Paksas' somewhat nomadic party career (most of this trend would eventually end up in one of the more recent populist parties – Liberal Democrats or Uspaskih's Labor Party); or (3) right-of-center voters of more liberal persuasion, mostly the educated middle class and entrepreneurs, switching to vote for the liberals once they emerged as a viable political force with parliamentary prospects. Previously this cross-section of the electorate would have voted Conservative, even if they did not share the Conservative social agenda, lest their vote be "wasted" in case the Liberal Union did not reach the 5% parliamentary threshold.

Redistribution of voter allegiances signified a twofold transformation of the political scene. First of all, it heightened voter mobility in pursuit of increasingly more pragmatic

expectations, oriented towards concrete and immediate policy measures. This favored both the emergence of ever-newer, populist forces and the progressively more populist character of the whole political field. Secondly, the Lithuanian political framework became increasingly unstable as a result. Both of these tendencies have been amply illustrated by the parliamentary election in 2004, where all the major political parties except the Conservatives and, to some extent, the Liberals, adopted populist rhetoric, whereas the greatest share of the seats in the parliament was captured by the one-year-old, radically populist Labor Party.

## VII. WHY WE LOST – AND WHAT IS NEXT FOR THE CONSERVATIVE PROJECT IN LITHUANIA?

So why did we lose in the end? I would venture four principal reasons in descending order of magnitude.

- 1. Weak public relations: quite a few sound projects, reforms and initiatives created negative public opinion because formation of public opinion was neglected and insufficient attention was given to explaining their consequences and necessity to the public. Conservative failure to regard society as a partner in dialogue led to resentment and growing political alienation. Media battles were invariably lost to the opposition, and the overly negative image of the Conservative project became entrenched.
- 2. Ideological inertia and lack of new creative ideas. Having formulated a few winning recipes in the beginning of their parliamentary term, the Conservatives did not seek to engage with society on the fundamental theoretical level. In the period under discussion, Conservative policy-makers rarely resorted to hard conceptual analysis of the processes that the society underwent. A few disjointed slogans and schemes that passed for "conservative ideology" obstructed, rather than facilitated, the view of the society's real state, and of the problems that would emerge in the future. The absence of serious analysis meant that when the underlying social reality changed, the Conservatives failed to adapt to it. It took several years for a new comprehensive Conservative ideology that addressed the burning issues in the society to emerge.
- 3. No one could have foreseen the *Russian economic crisis* that was to have such grave consequences for the Lithuanian economy. When it unfolded, however, the institutional inertia and overconfidence on behalf of the Conservative government resulted in failure to formulate an adequate response, thus bringing about much more damage than was unavoidable.
- 4. *Injudicious choice* was made of *Rolandas Paksas* as a prime minister when the successor to Gediminas Vagnorius was sought. Betting on Paksas' personal popularity, rather than seeking a political figure who would have both the necessary qualifications to address Lithuania's critical situation and the commitment to the conservative project, the Conservatives unleashed a populist "monster" that would eventually gobble up a significant part of their electorate and would succeed in inflicting further damage on their public image.

Now that waves of populism have become the norm in politics, while the Conservatives are increasingly seen as the only viable alternative by the informed minority, what are our prospects for the future?

In the near future one can only expect a gradual growth in either Conservative influence or in the party's power base, insofar as recent studies suggest that there is no statistical group or sociological niche available in Lithuanian society which could bring about a significant enlargement of the conservative electorate. The main hurdles still facing the Conservatives include inadequate public relations skills; petrified, self-enclosed party organization that is clearly out of step with the conservative electorate; and, with the exception of Kubilius, a deficit of the figures that would combine intellectual authority and high visibility with popular appeal. On the current political playing field the Conservative Party remains the only ideologically committed party and the only one that still generates ideas – such ideas, however, need not only to be generated, but also heard, and listened to.

## **APPENDIX:**

## List of Major Parties and Their Acronyms

Homeland Union (Lithuanian Conservatives) - TS Labor Party - DP Liberal and Center Union - LiCS Liberal Democratic Party - LDP Lithuanian Social Democratic Party - LSDP New Union (Social Liberals) - NS Sajūdis - KS

## Relevant Election Results (% of votes, major parties only)

Party / Coalition		1992	1996	2000	2004	
Lithuanian Democratic Labor Party	LDDP	44.0	10.0	21.0		
Lithuanian Social Democratic Party	LSDP	6.1	6.9	31.8		
New Union	NS			19.6	.6	
Lithuanian Center Union	LCS	2.5	8.7	2.9		
Lithuanian Liberal Union	LLS	1.2	1.9	17.3		
Liberal and Center Union	LiCS				9.2	
Lithuanian Christian Democratic Union	LKDS	3.6	3.2	4.2		
Lithuanian Christian Democratic Party	LKDP	12.6	10.4	3.1		
Homeland Union	TS		31.1	8.6	14.7	
Sąjūdis	KS	21.2				
Labor Party	DP				28.5	
Liberal Democratic Party	LDP				11.4	
Union of Farmer's Party and New Democracy Party	VNDPS				6.6	

## Notes:

- A mixed election system is used in the country, thus the table shows the share of party list votes only.
- The Social Democratic Coalition in 2000 was a coalition of LDDP and LSDP. In 2001 the parties merged creating the LSDP. In 2004 the party was the core of the "Working for Lithuania" coalition with NS.
- The Liberal and Center Union is a merger of LCS and LLS.
- LDP ran in 2004 as Coalition For Order and Justice.

## **Presidents:**

Algirdas Brazauskas (25 February 1993 – 25 February 1998) Valdas Adamkus (26 February 1998 – 25 February 2003) Rolandas Paksas (26 February 2003 – 6 April 2004; removed after impeachment) Artûras Paulauskas (6 April 2004 – 12 July 2004; acting president) Valdas Adamkus (12 July 2004 – present)

### **Governments:**

- 1. **Kazimiera Prunskienė** (March 1990 January 1991)
- 2. Albertas Šimėnas (10-13 January 1991)
- 3. **Gediminas Vagnorius** (January 1991 July 1992)
- 4. **Aleksandras Abišala** (July 1992 November 1992)
- 5. **Bronislovas Lubys** (December 1992 March 1993)
- 6. Adolfas Šleževičius (March 1993 February 1996)
- 7. **Laurynas Stankevičius** (February 1996 November 1996)
- 8. Gediminas Vagnorius (December 1996 May 1999)
- 9. Rolandas Paksas (June 1999 October 1999)
- 10. Andrius Kubilius (November 1999 -November 2000)
- 11. Rolandas Paksas (October 2000 June 2001)
- 12. **Algirdas Brazauskas** (July 2001-November 2004)
- 13. Algirdas Brazauskas (November 2004 today )

## WHY WE LOST – THE MACEDONIAN CASE

## ANDREJ A. LEPAVCOV

## **CONTENTS:**

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#### I. INTRODUCTION

Istorical events have hardly been favorable to the interests of the Macedonian nation and to the cause of an independent Macedonian state. Even now, as recent polls confirm, many Macedonians believe being part of the former Yugoslav federation were the nation's best times. This belief, together with the troublesome fifteen years of post-Communist transition, is at the root of the people's lack of self-confidence, apathy and pessimism. These are exacerbated by the inefficiency of pluralistic governments and a general lack of capable political elites.

The "Yugoslav connection" was so strong in the early 1990s that it worked against the election success of the Internal Macedonian Revolutionary Organization – Democratic Party for Macedonian National Unity (VMRO – DPMNE, hereinafter VMRO), the newly established reincarnation of the legendary, nineteenth-century VMRO. This time it was led by young and charismatic Ljubco Georgievski. VMRO hoped Macedonians would feel a national rebirth when the Yugoslav federation was falling apart and new independent states were emerging. Any political analysis of the center-right political option in Macedonia must address VMRO and the parties which came from VMRO-DPMNE. This is true even though the party has rarely declared that it belongs to the center right. But it is generally agreed that VMRO represents this political option in Macedonia.

After the first success in 1990, when the party won 38 of 120 seats in parliament, President Kiro Gligorov refused to give the mandate to the candidate from VMRO-DPMNE to form a government. Instead an expert government was formed, with half of the ministers close to the party. This government ruled Macedonia for seventeen months and introduced all the laws that would give the Republic of Macedonia the marks of an independent state. The expert government was dismissed after the leftist parties, supported by VMRO MPs, voted against it. But even while doing this, VMRO had no clear idea where this move would lead the party. This first major mistake was made in September 1992 and initiated a long period in opposition that ended only after the victorious 1998 parliamentary elections. VMRO's term lasted until the September 2002 parliamentary elections.

This analysis will give some perspective on the rise and fall of VMRO as a governing force during this period and as a major political party representing the center-right option in the Republic of Macedonia.

#### II. THE ATMOSPHERE OF CHANGE

After the expert government was voted down in parliament, power passed to the hands of the Social Democratic Union of Macedonia (SDSM), the former Communist Party of Macedonia. SDSM used its rule to strengthen its position in the public administration, security structures and the business sector. Even though its people had been in power for almost fifty years, the six years of its rule after 1992 was used by SDSM to adjust to the new circumstances of parliamentary democracy and also to adjust the system and its institutions to work in service of interests allied to SDSM.

The first major strike on democracy by SDSM was in the parliamentary and presidential elections in 1994, which were marked by blatant fraud. The second major turbulence in the country was the assassination attempt on President Gligorov, which seriously wounded him and inflicted permanent injuries. The investigation of this case is still ongoing. Also, organized crime was getting stronger, which was famously acknowledged by then Prime Minister Branko Crvenkovski who said that a "criminal octopus" existed in Macedonia, and that it would be defeated. Of course, this did not happen, and the people became more disappointed by the lack of progress.

During the 1994-1996 period, when the United Nations (UN) imposed sanctions against Yugoslavia, the SDSM government allowed trade transactions and oil sales into Yugoslavia contrary to UN sanctions. These transactions, of which the government was aware, exclusively benefited a select group of party functionaries. By most estimates, the value of profits made by SDSM functionaries during this period ran into the hundreds of millions of dollars. Besides oil, cigarette smuggling reached its peak during these years. Up until June 1998, public procurement transactions involving hundreds of millions of dollars were unregulated by law. This period was characterized by numerous scandals involving public procurements because there was no accountability or transparency, and many SDSM ministers were implicated in scandals.

Many also argue that the SDSM government and President Gligorov misled the nation, stating that the provisional name "Former Yugoslav Republic of Macedonia" would be only temporary. They completely failed in foreign policy with the "equidistance model" that tried to maintain similar relationships with all neighbors, even though some of them were helping Macedonia survive the blockades while others were imposing blockades and sanctions. Meanwhile, EU and NATO integration progressed very slowly.

Ninety percent of all public companies were privatized under the SDSM government. During this time, less than \$50 million was received directly by the public treasury. The vast majority of these companies was "sold" to SDSM insiders via a management buy-out scheme at ridiculous prices with a two-year grace period and a seven-year term of repayment, thus creating an oligarchy at the expense of the Macedonian state and the Macedonian people. These actions were done to build a milieu of wealthy companies close to SDSM, to support its policies, cover its campaign expenses, satisfy the employment needs of SDSM members and supplement the benefits of the state administration.

One of the biggest public scandals which shook Macedonia during the government of SDSM was the TAT affair in 1997. TAT, a "savings and investment house" in Bitola, advertised huge interest rates for depositors, promising to pay rates of 5-6% per month. In fact, it was nothing but a classic pyramid scheme in which ordinary citizens lost over \$70 million. In 1996, the director of TAT was proclaimed "manager of the year" by the government and the president, who himself awarded the prize. The TAT director was also chosen to head the SDSM candidate list for the 1996 local elections in Bitola. Public praise was heaped on TAT and its director, creating much public interest and a rush to invest as a result. Many "chosen" persons borrowed money from TAT at rates of 3% per annum, and promptly re-invested it in TAT at the aforementioned rates, making profits by redeeming money just after a couple of months. Huge profits were thus made by public officials at the expense of ordinary citizens who were simply deceived. Once the scheme collapsed, gov-

ernment officials seized TAT's documentation, and the subsequent investigation yielded no results. Prime Minister Crvenkovski, in a famous speech to parliament in 1997 shortly after the TAT affair, recognized the failure of his war against organized crime.

This atmosphere in 1997-1998 of favoring only one political and business structure, an enormous unemployment rate and a poorly performing economy provided a solid base for the first victory of the opposition VMRO. The party had already started its restructuring and was slowly losing its label of being a populist party. Many well-known intellectuals joined it, and an Intellectuals Council was re-established as an official party body. At the same time, the influential general secretary of VMRO, Boris Zmejkovski, was trying to impose his structure over the party but was removed and expelled, which also brought Macedonian intellectuals back into the party. This move increased the public's acceptance of the party.

SDSM also failed to improve the ethnic relations between Macedonians and the ethnic Albanian minority, or to give ethnic Albanians additional rights to pursue higher education in their mother tongue. The SDSM policy in this area was compromised by events in Gostivar, when the mayor of the city, Rufi Osmani, and the mayor of Tetovo, Alajdin Demiri, illegally flew the flag of the Republic of Albania next to the flag of the Republic of Macedonia at the city hall. They were repeatedly asked to remove the flag and after failing to do so, the police removed it with force. Four people were killed in the riots that followed. Rufi Osmani and Alajdin Demiri were convicted and sentenced to twelve years in prison, a somewhat harsh term which was out of line with traditional sentences for such crimes. When VMRO later came to power, their sentences were revised, helping to bridge the gap in ethnic relations between Macedonians and Albanians.

#### III. VICTORY AND A TROUBLED RULING

For the parliamentary elections in autumn 1998, the slogan "Changes for a Decent Life" was successfully used by VMRO. A coalition with the Democratic Alternative (DA), a political party recently established and led by Vasil Tupurkovski, a former chairman of the Yugoslav presidency, was formed. Tupurkovski's main slogan, that he will bring a "billion dollars" worth of investments to Macedonia, was successful and believed by the people. Tupurkovski's former role as a Yugoslav official combined with his easy promises, brought him and his party more than a hundred thousands votes and 12 seats in parliament.

But this was an "unnatural" relationship, made by a right-of-center political party with a party generally defined as center-left, with officials of mainly socialist and Communist origins. It was no wonder that this coalition was unstable and faced problems, as demonstrated by its disintegration at the end of 2000. Nevertheless, VMRO needed a partner which would bring swing voters to its side, even voters who had opposed VMRO rule.

The coalition of VMRO and DA won the parliamentary elections in October 1998 and the VMRO leader, Ljubco Georgievski, was appointed prime minister in late November and formed a government that also included the Democratic Party of Albanians (PDSH). Together VMRO and DA controlled 62 of 120 seats, ousting the ruling SDSM which won only 27 seats. The Albanian ethnic Party for Democratic Prosperity (PPD), which was

allied with the SDSM, took 14 seats, compared to eleven seats for PDSH. Prime Minister Georgievski said his government would continue to work toward membership in NATO and the European Union and strive for better relations with neighboring Balkan countries. He pledged to reform the economy by working to end corruption, reduce taxes, eliminate regulations on investments and attract foreign investment.

PDSH's participation in the coalition proved to be a wise step during the 1999 Kosovo crisis. This was the first major challenge for the VMRO-led government, when more than 360,000 refugees fled to Macedonia. In spite of a weak economy, insufficient foreign assistance and fears that the refugees would not return to Kosovo, the government successfully managed the refugee crisis. This operation allowed NATO troops to cross Macedonian territory and to build logistic facilities for their intervention in Kosovo. VMRO-DPMNE thus was on the right track for building partnership with the Euroatlantic community, always pushing to promote Macedonia's Euroatlantic integration.

In addition to the relaxation of the inter-ethnic relationship, the mayors of Tetovo and Gostivar, Alajdin Demiri and Rufi Osmani, were released from prison and their sentences were revoked. On the third national TV and radio channel, a full day of programming in Albanian and other minority languages was started for the first time. The rate of employment of Albanians in public administration rose, especially in the police and security structures.

But the Kosovo crisis generally had a negative influence on the approval ratings of the government. The public thought that the government should not allow the Kosovo refugees to enter the country, or that it should be more organized to prevent demographic change in the Macedonian population. This was accompanied by the lowest ratings for NATO and EU ever, as well as decrease in support for the country's Euroatlantic integration. On the other hand, many argued that the enormous number of foreign media covering the Kosovo crisis and stationed in Macedonia misrepresented the efforts of the Macedonian Government, taking every opportunity to blame it for mistreating the Kosovo refugees. The VMRO government failed to win this media war or to use its humanitarian actions to its benefit. It was unable to use this event to improve its image and stature in the international community, even though it reacted in accordance with international humanitarian standards.

The NATO campaign lasted for 72 days, and stabilizing the situation took several months, with the Macedonian government arguing that it did not receive the financial help that was promised by the international community. One VMRO official, future President of the Republic of Macedonia Boris Trajkovski, made a name for himself during the Kosovo crisis as a deputy minister of foreign affairs. He was in charge of coordinating the activities concerning refugees. His good international contacts and the famous statement that he gave in a press conference addressing the international community demanding urgent help for Macedonia made him popular and launched an excellent political career.

Later in the autumn of 1999, Trajkovski ran at the party convention and became the VMRO candidate for president. He won the national race with 592,118 votes, defeating SDSM's Tito Petkovski. International observers said that although the elections were marred by some faults in the western part of the country, they were generally fair. However, due to allegations of fraud from SDSM, and a decision by the Supreme Court to repeat the vote

in 23 constituencies, approximately 160,000 voters recast their ballots on 5 December. Combined with the results of the previous round, Trajkovski won a total of 582,208 votes against 513,614 for Petkovski. PDSH members played a pivotal role in the presidential elections by casting their votes for the VMRO candidate. The inauguration ceremony on 15 December was boycotted by Petkovski and some other SDSM members. Trajkovski thus succeeded Gligorov, the former leading member of both the old Yugoslav Communist elite and the SDSM.

At this time, apart from the enormous financial gap in the budget, the Macedonian economy was doing well, and another big market was opened with the stabilization of Kosovo. In the first year after the NATO intervention, around 80% of the products which were imported to Kosovo were made in Macedonia. This trend was followed by a visit by Prime Minister Georgievski to Kosovo that was made, as he claimed, for the sake of strengthening the Macedonian economy. His visit was attacked by the media and his political opponents, but it was evident that it was a brave step that opened Kosovo for Macedonian firms.

After normalization of the situation in Kosovo, the year 2000 brought the biggest financial growth since independence in 1991. Macedonia was in the company of the Eastern European countries which had the most promising economic results. This was also felt among many Macedonian firms regardless of sector.

Generally, there was no substantial preference for firms close to the government, because it followed a policy of trying to finish the job as soon as possible. This caused some dissatisfaction among managers of private companies close to the VMRO-DPMNE, and to the ones which were formed by the party. These party firms were supposed to provide constant financing of the party, regardless of whether the government was in power or in opposition. The forming of these party companies was a major mistake and became fodder for stories about corruption and criminal privatization of the last 10% of state companies.

At a time when the region was still unstable, Macedonia received major foreign investments with the sale of Macedonian Telecom and the OTKA oil refinery in Skopje. Both of these privatizations were successful, especially the one involving Macedonian Telecom, which was sold just before the conflict in Macedonia and the recession in the telecommunication business. This sale brought more than € 370 million in cash and the same amount in investment. A big part of this was supposed to be invested in projects of public interest, such as hospitals, water supply systems, roads, sewage, veterinary stations, etc. It was a good decision to spend money on public investments, since there were no other foreign investors because of the general perception of Macedonia as an unstable region. But the media and SDSM accused the government of corruption and taking bribes from investors. Once more, the public relations management of the VMRO-led government was unable to overcome the SDSM-linked media accusing it of corruption. It can also be faulted for not making the sales process more transparent or informing the public of the benefits of this sale.

Obviously, VMRO-DPMNE's public relations failures were chronic. Under its administration, the government ruined its credibility through sensationalism, factual misrepresentation and a reliance on transparent rhetoric. It tried to present its positions in state-owned media which had lost their credibility during the SDSM government. Government attempts to create its own media were a complete failure. The party magazine *Glas* was

turned into a lifestyle magazine, telling stories about animal life, music or similar themes. The purchase of a local TV station, which broadcast in the Skopje area, did not work. It never functioned as an information station, and after a couple of years it was sold to a person who had no connection to the party. There was also a radio station that was supposed to spread a pro-VMRO message, but only managed to broadcast Macedonian patriotic songs.

The party was more and more under attack from the media, connecting it with the party firms which were supposed to make the finances of the party sustainable, but were buying real estate, shops and factories. The constitutional court ruled against all of these party companies, and the firms had to be dismantled, and the party property sold. VMRO indeed dismissed the firms, but the real estate and other properties were transferred into the personal property of the closest associates of Prime Minister Georgievski. Party officials never explained where the money for these transactions went. The intention of building a financial base for a time of opposition was a critical mistake, and many close associates of Georgievski became wealthy real estate and business owners, obviously with help from the prime minister himself. This mistake increased the negative perceptions of the government.

In autumn 2000, municipal elections were held for the second time and partial re-runs were necessary. These were especially important elections, as they were the first to follow the highly-contested presidential elections of 1999, where VMRO and PDSH showed good partnership. Both the election campaign and the elections themselves were marred by violent incidents, notably between sympathizers of the two ethnic Albanian parties. In the immediate wake of the elections, the SDSM announced plans to form a new parliamentary majority for a vote of no-confidence in the Georgievski government and to call for early parliamentary elections.

According to the Organization for Security and Cooperation in Europe, these elections fell short of international standards. Results in most of the municipalities were decided in the second round of voting on 24 September, during which runoffs were held in 54 districts, while the first round of voting had to be repeated in 27 districts. Both the "For the Good of Everyone" coalition formed by the VMRO and DA and the opposition coalition "For Macedonia Together" (based on an alliance of SDSM, the Liberal Democratic Party and other smaller formations) initially claimed victory. The two ethnic Albanian parties ran independently in most municipalities, although both concluded alliances with smaller parties in some districts. There was no central tabulation or announcement of results by the State Election Commission, which led to confusion over the outcome. Final results indicated that the opposition coalition received the largest share of votes in the first round, while the governing parties won in most municipalities in the second round. Overall, the VMRO/DA coalition won around half of the mayoral positions, while the opposition won most big cities, including the capital, Skopje.

In the municipalities with Albanian majorities, PDSH emerged as the clear winner. These elections were the most violent in the history of independent Macedonia. A member of the election committee in Kondovo, close to Skopje, was killed, and many people were wounded in Ohrid and Kocani.

Serious disagreements between VMRO-DPMNE and DA emerged. The main conflict was about the logistical support that VMRO was giving NATO during the Kosovo crisis,

and which was opposed by DA officials because of their links with Belgrade. Furthermore, six VMRO members of parliament led by Finance Minister Boris Stojmenov left the party and formed their own parliamentary group and party, named *VMRO-Makedonska* 

DA decided to step out of the government because of differences with VMRO on economic policy, refusal by VMRO to back DA leader Tupurkovski for president of Macedonia, DA's discontentment about the handling of the privatization process and irregularities in the 1999 and 2000 elections. A new government was elected without DA, and the Liberal Party and some DA members of parliament joined the VMRO-led coalition. In a slight victory for VMRO, the party succeeded in keeping the majority in the government and having all of the mayors from DA join VMRO or at least proclaim their loyalty to the government. The ruling coalition survived this crisis with a slim majority of 64 out of 120 parliamentary seats.

In January 2001, just before the crisis started, the Macedonian government was under the threat of being implicated in a wire-tapping scandal, with the SDSM claiming the government tapped about a hundred public and political figures, including 25 journalists. It claimed the illegal surveillance took place in the run-up to local elections in September 2000 and in the following three months when the government was struggling to defend its parliamentary majority. The scandal, named the "Macedonian Watergate" by the media, broke out on 17 January in a press conference when the SDSM leader Crvenkovski, provided 150 pages of transcripts of allegedly monitored telephone conversations. The media also speculated that DA leader Tupurkovski had leaked the transcripts to Crvenkovski. This scandal showed that how vulnerable and inexperienced the security structures led by VMRO were, having intruders linked with SDSM among their employees.

By the end of 2000, the situation in southern Serbia (Preshevo, Bujanovac and Medvedje) got worse and there were clashes with Albanian insurgents there. When the first intelligence information about plans for similar actions arrived in the government, the reaction was insufficient. The Albanian partner in the governmental coalition, PDSH, did not support the Albanian insurgents which had been planning this attack on the Macedonian state. But as developments worsened, and the so-called National Liberation Army (NLA) gained support among Macedonian Albanians, PDSH feared for its rating among its electorate and started to indirectly support the NLA; some PDSH members became commanders and took part in the clashes.

The situation went out of control with the occupation of the Macedonian village Tanushevci, to which the government was argued to have reacted hesitantly, leaving even the deputy director of the state security blocked by the insurgents from entering this area for several hours. After the international community indirectly gave approval for action, the government debated whether such action should be undertaken by the army or the ministry of the interior. As events worsened and the Macedonian security forces suffered more casualties, the dialog with the international community became hostile. The Macedonian government was losing international support. Disagreements between the prime minister and Interior Minister Ljube Boshkovski and between the government and NATO and EU leaders, as well as with the special envoys James Perdew and François Leotard, further complicated the situation.

The NLA issued several "communication notices" that proclaimed their actions as a "fight for the liberation of Albanian territories." They later changed their argument and proclaimed they were fighting for better rights of the Albanians in Macedonia. This was a turning point when the Macedonian government lost the support of the international community. The unsuccessful siege of the Lipkovo region and the failure of the Arachinovo action only increased the pressure from abroad for developing a dialog with insurgents. On 13 May 2001, SDSM and its coalition partners entered the all-national coalition government. This was supposed to unite all the parties in Macedonia in order to end the crisis and was done under strong international pressure that led to the signing of the Ohrid Framework Agreement on 13 August 2001. It was negotiated among the main party leaders in Macedonia and President Trajkovski.

Meanwhile, as the coalition proved unable to stop what many called the ethnic cleansing of Macedonians in the Tetovo region, another mistake was made by Georgi Efremov, chairman of the Academy of Sciences and Arts of Macedonia, who suggested that the best way of ending hostilities between the Macedonian and Albanian communities was to divide the country into two parts. According this plan, Albanians would settle in the western regions of Gostivar, Tetovo and Debar, which would then join Albania. In exchange, Albania would hand over to Macedonia the town of Pogradec and the surrounding area near Prespa Lake, where a small Macedonian minority lives. The proposal enraged large sections of the political spectrum. There was a danger that the EU might decide to review the validity of the Stabilization and Association Agreement that Macedonia signed in Luxembourg on 9 April 2001. This proposal could also have undermined all the support that Macedonia had received so far and endanger Macedonian Euroatlantic integration.

Whether it was a test of public opinion, an outright provocation or a serious project, this plan certainly shifted attention away from the fighting in the north. Prime Minister Georgievski did not refuse the plan, indirectly showing support for this unrealistic idea.

In the Tetovo region, the Albanian insurgents undertook what many called the ethnic cleansing of Macedonians, trying to merge a territory from Skopje into Tetovo along the border with Kosovo. Regular troops were unable to defend the population, and many people fled to Skopje and other cities. Interior Minister Boskovski, by the order of the prime minister, formed and trained a unit called "Lions," composed mostly of unemployed young men and women, as well as other people with a criminal background. The name of this unit was badly chosen, reminding the people of the symbol of the lion on the VMRO-DPMNE party flag. The media harshly criticized the activities of the unit, and the international community labeled them paramilitary troops. Yet, the "Lions" generally did not take part in the biggest actions in the crisis, because they were formed too late. The unnecessary publicity, parades and shows of strength created a bad picture and negative publicity. The highlight of this was the action in village of Trebosh, long after the signing of the Ohrid Framework Agreement, when they were sent with cameras from state TV directly into an ambush, where three policemen from the unit were killed.

During the last months of the conflict, Prime Minister Georgievski and Interior Minister Boskovski openly lobbied for proclaiming martial law on the whole territory of Macedonia and constantly argued with international mediators on this point. The two most influential men on the political stage in Macedonia gave many statements accusing NATO

and its leaders of supporting the Albanian cause and pointed to the Alliance as the major perpetrator of the war in Macedonia during the past year. One explanation for this rhetoric was the pending parliamentary elections and a desire to gain the support of patriotic Macedonian voters and those greatly disappointed by the outcome of the 2001 crisis.

All of these anti-Western politics were a step away from the original platform of VMRO as a pro-Euroatlantic party, evidenced by its application for NATO membership in 1993 and the signing of the Association and Stabilization Agreement with the EU in 2001. Prime Minister Georgievski's disputes with Western officials made him a politically unstable leader. The first serious divide between him and his closest associates occurred with the resignation of the vice president of the party, Dosta Dimovska, in January 2002. Also, the prime minister's relationship with former advisor (and now president) Trajkovski dramatically deteriorated, which was evidenced by the insults hurled at Trajkovski during his resignation speech in 2002, in which he apologized for supporting his candidacy in 1999.

#### IV. ACHIEVEMENTS AND FAILURES

VMRO was the first party to demand and propose Macedonian independence. According to its logic, the long oppressed historical desire of generations of Macedonians (who were represented by VMRO) to lead Macedonia into independence was finally achieved with its victory in the elections in 1998. The VMRO-DPMNE government committed itself to reforms and succeeded in many areas.

The biggest success in reforms took place in the financial sector, which addressed issues in areas where previous governments had failed or had ignored altogether. The process of denationalization was started, and many people got their land and real estate back 50 years after the Communists had taken it. A value-added tax was introduced, and the first benefits were felt from this taxation. Trust in domestic banks returned, and many people again put their money in bank accounts. Other achievements included putting retail stores and service companies under fiscal control, as well as full membership in the World Trade Organization (WTO). All of these accomplishments were made by the young minister of finance, Nikola Gruevski, with a transparent approach and good public relations. His "Buy Macedonian Products" campaign was a great success and was widely accepted by the people of Macedonia. In 2000, Macedonia achieved a 5% increase in GDP. This increased to 6% in 2001 and 2002, followed by a permanent cessation of IMF loans.

Although there was a failure to keep the country stable, security institutions like the army and the police received technical and operational improvements. The VMRO government fully satisfied their needs for equipment and weapons through purchases and donations from friendly European countries and the United States.

With the opening of the South Eastern University in Tetovo, higher education in the Albanian language was introduced for the first time in Macedonia. This was done with great help from the international community and was a big step toward fostering inter-ethnic tolerance between the Macedonian and Albanian population. This university was also a result of a good coalition partnership between VMRO and PDSH. In addition, the gov-

ernment protected the environment and preserved the cultural and historical heritage in the country by excavating and renovating the ancient city of Ohrid, an important city in Slavic culture.

Social issues were also addressed by the VMRO government. Thousands of apartments for young couples were built; the health sector was improved; the situation of the pensioners improved and public servants received a salary increase. Generally, the VMRO government did a lot for the citizens of Macedonia and was on the right track, but corruption connected to the prime minister and his close associates, as well as the crisis of 2001, negatively affected the government.

The fight against corruption was short-lived. When VMRO came to power, it started numerous investigations concerning the crimes of the SDSM government. This was a complete failure because the public prosecutors and courts dismissed most of the accusations as unproven. This was to be expected, since the court system was built under another political system. The only case in which the VMRO government accused one of its own officials was the case of the minister of defense, Ljuben Paunovski, which is still in the labyrinth of the judicial system.

The government did not succeed in publicizing the reforms or the prospects for good economic growth they promised. It operated in a hostile media environment – one that got worse immediately after the parliamentary elections, when SDSM was able to use its resources to indirectly create media close to it. To improve its public relations tactics, there was an attempt by the government to start a network of NGOs linked with its party members that could promote the policies of the government, but this was not achieved during its term in office. No right-of-center or conservative think thank, institute, center, or party foundation was founded to present and support party policy. Only a humanitarian foundation was formed by the prime minister's wife, and it was managed by a closed circle of associates that lacked transparency, leaving it open to regular attacks by the media.

The lack of professionalism and mistakes that many VMRO officials committed in the government were mostly due to inexperienced personnel and difficulties in acquiring loyal administration personnel, councilors, intelligence and security service members or good spokespersons to explain and promote government policies.

During VMRO's term, the rate of unemployment decreased, but most of these new jobs were created through governmental firms and the state administration. They were mostly filled by party members and often overstaffed. Still, unemployment in Macedonia remained high, and this irritated people without any party affiliation and caused generally bad publicity.

The corruption issue, besides the mishandling of the crisis in 2001, was one of the crucial reasons for failure of the government. The obvious attempt of Prime Minister Georgievski to create a counterbalance to the pro-Communist financial oligarchy failed because of the unsophisticated ways of buying firms and real estate and the privatization of the rest of the firms in Macedonia, as well as the absence of any sense of responsibility toward the party and the government's future. During its term, the SDSM oligarchy succeeded in privatizing 90% of the firms in Macedonia, including the most profitable ones, and there was no

impact on its ratings or reputation. This was not the case with VMRO, which, though privatizing much less under its rule, was quickly stigmatized as running the most corrupt Macedonian government ever. It seems the old saying holds true that if two people do the same thing, it is not in fact always the same.

#### V. Defeat and Fragmentation

Parliamentary elections were held in autumn 2002. For the first time, the election system worked according to the proportional model, under which the country was divided into six electoral districts. According to domestic and international observers, the elections were fair and democratic and mostly in line with international standards. In the largest election observation mission ever to be employed in Europe, the polls were observed by 3,799 local monitors and by 1,015 international monitors. A total of 3,500 specially trained policemen were on hand to provide a secure post-election atmosphere. SDSM won 59 of the 120 seats in the new parliament, VMRO-DPMNE and the Liberal Party (LP) together only won 34 seats. PDSH won 7 seats, and the Democratic Union for Integration (BDI), a new Albanian party led by former insurgent leader Ali Ahmeti, gained 16 seats in the new parliament.

VMRO's main slogan was "Heads Up," in reference to the post 2001 situation as an attempt to regain the lost dignity of Macedonians after the conflict. Georgievski believed he would win the election, since he did not trust the polls of foreign or domestic institutions in Macedonia.

These elections were the most orderly ever conducted in Macedonia. International pressure on the government to stage peaceful, fair elections was successful, but was seen by many at VMRO as favoring SDSM. According to this argument, domestic and foreign NGOs, which had demonstrated an intense dislike for the standing government, implied that some kind of dictatorship had been formed in Macedonia. VMRO, it was argued, did not have any network in its favor that would explain to the public the positive achievements of the government or highlight its political program.

As a governing coalition was concluded among SDSM, LDP and BDI, an anti-corruption campaign against VMRO-DPMNE officials was started, bringing charges against many former officials and close associates of Prime Minister Georgievski. The collapse of party unity and the lack of positive media coverage or NGO support left the party alone under the attack of the pro-SDSM media and the prosecutor's office. VMRO officials noted that many of those accused were held in custody for almost a year, but no institution or foreign human rights organization reacted to allegation of the abuse of their civil rights. This bad situation in the party and weak prospects for winning the next elections forced Georgievski to resign from his position as party leader. At the party congress in May 2003 a new leader was elected, supported by ex-leader Georgievski. This was the former successful minister of finance in his government, Nikola Gruevski.

Nobody could have guessed what would happen within VMRO after the resignation of the party icon Georgievski. The general party opinion was that whoever might become head of VMRO, he or she would find it hard to break with Georgievski's policies and distance the party from its legacy of corruption.

The authority and charisma of Georgievski was never in question; he always kept everything under his control, but under his leadership the party never experienced solid internal democracy and discussion without consequences for bearers of dissenting opinions. Georgievski had intentions of controlling the party through Gruevski. But obviously Gruevski did not want to play that role. After the tragic death of President Trajkovski and the presidential elections in 2004, the dispute between them surfaced, as they blamed each other for losing the elections to their biggest political rival, former SDSM Chairman Cryenkovski.

After making this dispute public, Georgievski made an unsuccessful attempt to return to the position of party leader, demanding a new party congress. This was very difficult because of a party statute that centralized the management of the party by giving the leadership full power to appoint local leaders. Facing this situation, Georgijevski and his followers formed a new political party called the VMRO-People's Party. Most of VMRO's members of parliament joined it thanks to the changes in the election law supported by SDSM. Georgievski did not become the leader of the new party, instead leaving an acting president in power. Two other small factions also separated from VMRO. Former associates of ex-leader Georgievski and his former vice president of the party, Dimovska, formed a political party named the Democratic Republican Union of Macedonia. Also Marjan Gjorcev, former VMRO minister of agriculture, is attempting to gather the votes of village people and the farmers, mostly in eastern Macedonia. This split is one of the biggest challenges facing VMRO today.

Thus, disunity and fragmentation haunts the future of the center right in Macedonia, seriously handicapping the chances for the right to win in the next parliamentary elections.

#### VI. PERSPECTIVES

The recent local election showed a strong discontent among Macedonian voters, especially those in urban areas where the population is not easily influenced or intimidated by threats of losing their government job or their social benefits. It also showed that EU and NATO integration are not crucial topics for winning elections, but rather that the improvement of the economy and creating jobs are key. Since there have been no improvements in this area, there is an open space for the center-right parties led by VMRO-DPMNE to win the next parliamentary elections.

Recent developments suggest a wide coalition among the so-called center-right parties which sprang from VMRO-DPMNE will be difficult to achieve. Personal disputes and inability of the leaders to overcome the past threatens their prospects for success. The pragmatic mind-set which is necessary for such reconciliation seems unrealistic to expect.

VMRO-DPMNE had always been a movement geared towards an independent, stable and European Macedonia. It still has to confront the challenge of turning itself into a modern center-right political party. It is important to develop a new political platform with a strong emphasis on the economic problems of Macedonia prior to the elections in 2006. As the party is in a constant process of reform after the split, it is necessary to

improve and preserve the relations with representatives of the international community who can provide indirect support for moderate political structures which are free from corruption.

VMRO-DPMNE has been trying to become a member of the European People's Party since its founding, and additional efforts are needed to achieve the confidence and cooperation of the center-right parties in Europe by improving internal party democracy and maturity in political activities. A strong link with Republican and conservative circles in USA is needed for gaining support for VMRO-DPMNE's policy.

The obligations from the Framework Agreement are coming to an end, and the majority of the population is not interested in security and ethnic relations themes. A strong economy and employment policy should be built for the coming parliamentary elections. The ruling coalition in Macedonia has neither had good economic results nor improved employment levels.

It is necessary for VMRO-DPMNE to gain think-tank and NGO assistance in supporting its campaign. The party's media presence should be pro-active and cooperative, avoiding unnecessary statements which could harm its rising popularity.

Regarding the parties which came out of VMRO-DPMNE, especially the VMRO-People's Party, it should concentrate on building partnerships with VMRO-DPMNE if it would like to be part of a winning coalition in the future. If this can not be established, its members will slowly return back to the "mother" party. VMRO-DPMNE has to take a leading role in the opposition block because of the capacity of the party and its well developed network across Macedonia.

Cooperation and partnership with the Albanian minority party PDSH should be a priority, as there is no other political party which could present the center-right option to Albanians in Macedonia. This will not be easy, as PDSH and PPD are overshadowed by BDI's popularity among ethnic Albanians to such a degree that the two parties did not even run in the second round of the spring 2005 local elections. This defensive strategy will be insufficient and work against the prospects of much-needed, long-term cooperation with VMRO-DPMNE.

#### APPENDIX:

#### List of Major Parties and Their Acronyms

Democratic Alternative – DA
Democratic Party of Albanians – PDSH
Democratic Union for Integration – BDI
Liberal Democratic Party – LDP
Liberal Party – LP
Party for Democratic Prosperity - PPD
Social Democratic Union of Macedonia - SDSM
VMRO-Democratic Party of Macedonian National Unity – VMRO - DPMNE

Party / Coalition		1990	1994	1998	2002
Social Dem. Union of Macedonia	SDSM	25.3	30.8	25.1	40.5
Socialist Party	SPM	4.7		4.7	2.1
Liberal Democratic Party	LDP			7.0	
Democratic Alternative	DA				1.4
VNMRO-DPMNE	VMRO	24.8	17.9	28.1	24.4
Party for Democratic Prosperity	PDP		8.3		2.3
Democratic Party of Albanians	DPA				5.2
DPA + PDP				19.3	
Democratic Union for Integration	DUI				11.9

#### **Relevant Election Results** (% of votes, major parties only)

#### Notes:

- SDSM ran as the "Union for Macedonia" in 1994 and "Together for Macedonia" in 2002.
- VMRO-DPMNE boycotted the second round of elections in 1994, ran as "Coalition for Change" in 1998 (with DA) and joined a coalition with LP in 2002.

#### **Presidents:**

Kiro Gligorov (27 January 1991 – 19 November 1999) Boris Trajkovski (15 December 1999 – 26 February 2004) Branko Crvenkovski (28 May 2004 – today)

#### **Governments:**

- 1. Nikola Kljusev (March 1991 July 1992)
- 2. Branko Crvenkovski I (August 1992 November 1994)
- 3. Branko Crvenkovski II (November 1994 February 1996)
- 4. **Branko Crvenkovski III** (February 1996 November 1998)
- 5. Ljubco Georgievski I (November 1998 December 1997)
- 6. **Ljubco Georgievski II** (December 1999 November 2000)
- 7. **Ljubco Georgievski III** (November 2000 May 2001)
- 8. Ljubco Georgievski IV (May November 2001)
- 9. **Ljubco Georgievski V** (November 2001 November 2002)
- 10. Branko Crvenkovski IV (November 2002 May 2004)
- 11. **Hari Kostov** (June November 2004)
- 12. Vlado Buckovski (December 2004 today)

# VICTORIES, DEFEATS, RECONFIGURATIONS AND REINVENTIONS OF THE POLISH RIGHT

#### MAREK MATRASZEK

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## I. CONTEXT OF UNIFICATION OF THE RIGHT PRIOR TO THE 1997 ELECTIONS

Perhaps in no other country than Poland have the historical failures of the center right been so evident and so spectacular. It is a paradox that despite historically being in the vanguard of the anti-Communist revolutions of the 1980s, with the deepest historical traditions of resistance to Communism, and with a society highly religious and conservative, Poland has to this very day (2005) failed to produce a genuinely centerright government in the Western sense of the term. "Center-right" means a government holding to a set of beliefs that include – but not exclusively – a firm belief in the benefits of the free-market economy (liberalization, demonopolization and privatization), a limited, but strong state in the areas of defense and crime and a robust foreign policy that is not only pro-Western, but also resistant to the imperatives of Franco-German hegemony in Europe, in essence broadly pro-US. Such a government also deeply understands the nature of the cultural conflict underway in Europe, and is supportive of traditional values and cultural sensibilities. According to this strict interpretation, Poland has yet to produce such a government, and the failures to do so were especially evident in the 1997-2001 period, upon which this chapter focuses.

To understand the hopes that were vested by many on the right in the 1997-2001 government of Jerzy Buzek, it is important to understand that none of the previous governments after 1989 could have been called genuinely center-right. After the Round Table negotiations of 1989 that led to the initial dismantling of Communism, Poland was for two years – until the first fully-free elections of 1991 – ruled by governments which either had as some of their members leading representatives of the Communist Party (the Mazowiecki government of 1989-1990), or which were more technocratic than center-right (the Bielecki government of 1991).

The short-lived government of Jan Olszewski at the beginning of 1992 defined itself as right-of-center, but in terms of economic policy it was perhaps the most leftist since 1989. The government of Hanna Suchocka of 1992-1993 was perhaps the closest to a genuine center-right administration, but the ideology of many of its members could be fairly said to be closer to Christian-democratic than center-right. Moreover, since it was a coalition government of at least five separate parties, the government found it difficult to articulate a consistent policy line in many areas.

The increasingly public splits, divisions and arguments of the coalition members of the Suchocka government, combined with the effects of the economic shakeout and dislocation brought on by the rigors of the Balcerowicz economic reform plan of the early 1990s, were the main reasons which brought the former Communists back in to power from 1993-1997. They were organized under the name the new Social Democracy of Poland (SdRP), under the umbrella of the Democratic Left Alliance (SLD) with their old allies, the Peasant Party (PSL). During those four years, there were no credible center-right parties in parliament whatsoever, and few expected the right to recover in time to win the 1997 parliamentary elections. However, the experience of those four years was also a surprise to the post-Communists, who imagined in 1993 that they would remain securely in power for a longer period of time, reducing the 1989-1993 loss of power to a mere interregnum in their post-War hold over Poland.

The gradual collapse in public support for the post-Communist governments of 1993-1997 (Prime Minister Waldemar Pawlak between 1993 and 1995, Jozef Oleksy 1995-1996 and Włodzimierz Cimoszewicz 1996-1997) was due to several factors. Chief among these was the slow realization among the electorate that the cumulative effects of their policies were to restore, if not Communism (which would have been politically impossible), then at least mechanisms of power which were starting to erode many of the achievements of the post-1989 democratic changes.

The beginning of the end of post-Communist dominance can probably be traced to the so-called Oleksy spy scandal of 1995-1996, when the serving Prime Minister Józef Oleksy was accused by his minister of interior (at that time appointed by then-President Lech Walesa) of being a KGB spy. The crisis led to Oleksy's resignation, and an investigation by the military procurator as well as by parliament, although in the end no charges were formally laid. Precisely because of the lack of clarity, the Oleksy issue became a feature of the next election campaign, allowing the opposition to run on a platform that presented the SLD as traitors to Poland, and Solidarity as the symbol of the national interest. That was bad news for the SLD, which had achieved its 1993 electoral successes because it was able to set the electoral agenda around bread-and-butter issues rather than emotional rhetoric.

In this sense, the 1997 election that brought the right to power was determined not so much by a short-term struggle between left and right, but a much more long-term debate between two models of political cleavage. One political cleavage revolved around emotional perceptions and values, while the other was more reflective of differences between economic interests, such as the tussle between private and public sector employees, town and country inhabitants, and the parts of the population which were more and less adaptive to the demands of the market economy. As the Polish economy develops, and Poland moves closer to the West, the second cleavage will come increasingly to the fore, and Polish politics will resemble more and more the classic Western cleavage between left and right. But that will be a much longer process than many had expected. In the short term, Poles remain politically oriented according to their historical experience with Communism, regardless of whether they hold left-wing or right-wing economic views. The Oleksy Case merely strengthened the importance of that cleavage, and in the 1997 elections the main beneficiaries were those parties – such as the center right – which tapped into that division.

#### Unifying the Right and the 1997 Elections

The real stimulus to unity within the right prior to 1997 came from the re-emergence of the Solidarity trade union as a political force. It proved to be an attractive opportunity for the myriad of center-right politicians too weak to enter parliament on their own, but happy to coat-tail on the back of a Solidarity surge. The key to the success of the right in 1997 was the creation of an appropriate political vehicle, Solidarity Election Action (AWS), which while not a political party, was an alliance of the Solidarity trade union and a host of smaller right-of-center parties that agreed to give up some of their autonomy inside AWS in return for the opportunity to return to power in the elections. The key figure in organizing AWS was Marian Krzaklewski, the ambitious leader of the Solidarity trade union, who also became the leader of AWS itself.

Two events in 1997 sealed support for AWS: one was the visit to Poland of Pope John Paul II in June. But the deciding factor was – coincidentally – an act of God, in the form of the severe flooding that affected much of Poland in the summer of 1997. The incompetent reaction of much of the government, the sense of chaos, and some ill-judged remarks by the prime minister were enough to shatter the claims of the SLD to be "competent" administrators.

The victory by Solidarity Election Action in the September 1997 elections by six percentage points over the SLD showed a groundswell against the government that no-one had seen coming. AWS obtained 201 parliamentary seats, the SLD 164, with 60 seats going to the centrist Freedom Union (UW), 27 to the Polish Peasant Party (PSL), and 6 to the farright ROP (Movement for the Reconstruction of Poland). The new government coalition between the AWS and UW had a majority of 60 seats above all other parties combined, and 30 seats over an absolute majority of parliament. Although the SLD lost the election, it actually increased its share of the vote from 21% in 1993 to 27%. Failure to remember this crucial fact was one of the reasons for the over-confidence of the center right in the coming four years.

### II. THE RIGHT IN POWER... AND ON THE WAY OUT OF IT

#### Forming the Government and Making the First Mistakes

In forming the new government, the AWS leadership had two major issues to resolve: who their junior partner would be, and the actual shape of the government. In terms of the former question, here there was no alternative but to join together with the UW, led by Leszek Balcerowicz, architect of the 1989-1990 free-market economic reform. This was an inevitable but difficult decision, in the sense that Balcerowicz was implacably opposed to the influence of trade unions in the political and economic system and privately regarded Krzaklewski as a dangerous populist. Neither was it easy for Krzaklewski, who in turn perceived Balcerowicz as an arch-representative of the evils of free-market economics, of which he remained deeply suspicious. The second major decision was the precise nature of the cabinet; there was an internal argument in AWS as to the model of government which the victorious party should support. Krzaklewski leaned to a "government of experts," where ministerial posts would be filled by AWS-supported technocrats, leaving front-line politicians in the background. These two factors - the need to find a compromise candidate for prime minister between AWS and UW, and the search for a prime minister who would not have his own independent power base - led to the choice of Jerzy Buzek, a hitherto unknown university professor, but long-time friend of Krzaklewski, to be prime minister. Time would show that both the selection of Buzek and the decision by Krzaklewski not to enter the cabinet despite his strong political position, were at the core of the failures of the future AWS-UW coalition government.

No sooner did the government establish itself, than splits and divisions between AWS and UW started to emerge. Soon after agreement had been reached over the choice of Buzek

as the coalition prime minister, members of the AWS parliamentary club met to review the agreement. Many were surprised by the degree of compromise that had been reached with the UW, in particular the number of key ministries that had been ceded to the minority Freedom Union. In the provinces, AWS activists stiffened their resistance to the appointment of UW supporters as deputies to AWS *vojvods* (provincial governors), as laid out in the agreement.

The impression that the coalition was in chaos, and unable to agree on even the most obvious reform requirements was made worse by the astonishing public-relations lapse of the government giving its members huge pay bonuses for the last quarter of 1997, even after it was revealed that the previous Cimoszewicz government had already paid the bonuses out for its own members. Not only did it look as though as the current ministers were heading for the trough after only eight weeks in office, it was very untimely since voters had just been told that they needed to belt-tighten because of the profligacy of the previous administration.

#### Factions Muddy the Reforms

The problems of the coalition were compounded for the Buzek government by what seemed to be a loss of control within the coalition parties themselves, as well as a lack of media management for the government as a whole. In terms of the first issue, the increasing tensions within the AWS parliamentary caucus over the desired shape of local government reform revealed a lack of unity and policy coherence. The government was committed to far-reaching decentralization, as well a consolidation of the cumbersome system of provincial government, but it quickly became clear that there was no consensus within AWS on the preferred number of vojvodships, as many activists fought to preserve their base of power.

Most of the opposition to local government reform within the ruling AWS came from the National-Catholic faction which considered the consolidation of 49 vojvodships into 12 or so strong, autonomous vojvodships as a blow to the unity of the Polish state and a surreptitious attempt to ease the transfer of national sovereignty to European Union structures. While before the elections members were concerned about the ability of the opposition to block crucial reforms, it now became clear that the biggest threat might be within the governing coalition itself.

#### Fissures in the Ruling Coalition over Taxation...

Although local government issues were the most important example of divisions between AWS and UW, there were others that over the next two years would cumulate in the departure of the UW from the governing coalition. A key area was taxation, a totemic area of reform for the junior UW partner.

Finance Minister and Deputy Prime Minister Balcerowicz announced in September 1998 his long awaited proposals to introduce a flat tax system in Poland, but it was not long before Balcerowicz's proposal came under withering fire. The first to protest was AWS leader Krzaklewski, who complained that he had not been consulted. More importantly, Krzaklewski saw that the flat tax would decapitate a keystone of the AWS election plat-

form, namely a "pro-family" tax policy. AWS had fallen into the trap of being unable to accept a perfectly sensible reform because of a rhetorical campaign slogan about which most voters had forgotten.

But that was not the end of tensions between AWS and UW over taxes. In November 1998, almost the entire AWS supported an amendment to the tax law for 1999, a position in clear contradiction to that of the government. The immediate reaction of Balcerowicz was to threaten to resign and withdraw the UW from the government. The vote confirmed in his own mind his worst suspicions about AWS: that it was an irresponsible political force, both in the political sense of being disloyal to its own prime minister, and in the policy sense of pushing forward with populist economic proposals regardless of the damage they would do to the economy.

The crisis was instructive in several ways. First, it revealed yet again the weaknesses in the relationship between the government and its parliamentary supporters, especially within AWS, and the opportunities those weaknesses provided for future problems. Many AWS members of parliament were semi-detached from the government, seeing their role not as supporting the government through thick and thin, but rather as lobbying the government for their pet policies regardless of the cabinet's position. Moreover, the confused structure within AWS, and the monumental number of responsibilities that Krzaklewski had taken upon himself, resulted in a crisis of leadership within the AWS parliamentary club that rendered many of the AWS members of parliament uncontrollable. It was essentially a federation of competing cliques and parties which lacked a strong leadership willing to institute an effective mechanism to instill party discipline.

#### ...and Foreign Policy

Foreign policy was another area of conflict between the AWS and UW coalition parties, and there was always tension about which party really controlled foreign policy. Despite the fact that Foreign Minister Bronislaw Geremek came from the UW, he found his wings clipped with attempts to take crucial functions away from him – especially decision on European policy – by both the prime minister's chancellery and the Office for European Integration, run by AWS. Even in defense policy there was conflict over the consequences of NATO membership for Poland's internal military and defense interests. The axis of conflict was between Minister of Defense Janusz Onyszkiewicz and his deputy Romuald Szeremietiew (AWS). The latter was forceful in pushing forward his own ideas concerning force restructuring as well as higher military spending on defense weaponry. Onyszkiewicz was much more cautious in both regards, preferring to stick to the priorities of NATO rather than those of domestic interest groups.

#### A Weak Prime Minister

It was becoming increasingly clear that the key weakness of the government was Prime Minister Buzek himself, an honest and decent man, but one with no independent political base of support and given to compromise at every turn. This allowed him to become a prisoner of the various factions within AWS and also hostage to the threats and cajoling of UW leader Balcerowicz. A more determined leadership earlier on might have pre-

vented such squabbles developing into festering political sores. Buzek's own weaknesses of personality were often reflected in governmental policies, particularly towards law breaking by some of the more aggressive political players, such as Andrzej Lepper and his populist Self Defense (*Samoobrona*) party. Polish politics have always been marked by a debate whether government should seek to establish social peace through negotiating a consensus between competing pressure groups and interest factions, often sacrificing the letter of the law to do so, or whether they ought to seek to establish social order through upholding the rule of law, even if to do so cuts across special interest groups and means saying no to radical economic demands. Under a government led by AWS, where the unionist mind-set saw everything in terms of bargaining and compromise, there was real difficulty in initiating any semblance of firm control on social protesters. Failure to deal firmly with Lepper was one of the sources of the government's continuing fall in support and credibility.

#### Divisions Inside the Ruling Party

The real Achilles' heel of the 1997-2001 Buzek government, however, was not so much the inevitable tensions between AWS and the UW, but the deeper animosities within AWS itself. AWS was a coalition of a disparate range of parties and grouplets, but over the course of the first year of the Buzek government, three core pillars of the alliance crystallized. These were a Solidarity union-dominated central core with boss Marian Krzaklewski at the head, flanked on the one side by the liberal-conservative Conservative People's Party (SKL) and by the national and Catholic Christian-National Union (ZChN) on the other. Had such an arrangement gelled further, this would have been a major step on the road to transforming AWS into a much more stable federation, much on the model of the Union for French Democracy (UDF) in France.

However, AWS remained an extremely fragile fabric, woven from a multitude of frequently well-worn threads. Any move by the political leadership of AWS to disrupt the finely-balanced compromise that the government coalition represented always threatened its broader stability. That is because the coherence of the government involved not only a balancing act between the UW and AWS, but also a carefully-structured arrangement to spread the spoils of political power among the various factions of AWS itself.

Part of the broader problem with AWS was at a structural level. When electoral lists were established in 1997, they were as broad as possible. That meant letting into parliament a diverse selection of parliamentarians who found it difficult to reach internal consensus. This also meant that the parliamentary club was often hostage to small groupings of members of parliament who were able to press through radical proposals by threatening the club leadership. There was also a failure to institutionalize formal decision making within AWS, making party discipline all the more difficult to achieve.

As parliament passed the half-way mark, and politicians realized that elections were approaching, the fragility of power became all too evident. As long as AWS seemed securely in place, feeding off the success of parliamentary victory in 1997, the disparate collection of parties and grouplets would be able to hold together. Now, with defeat in coming presidential and parliamentary elections looking increasingly probable, some AWS politicians

decided that the only way to survive was to start making their mark in opposition to AWS ministers, rather than supporting them.

The conflict between powerful Minister of Interior Janusz Tomaszewski, a close associate of Krzaklewski, and the young conservative head of the prime minister's chancellery, Wiesław Walendziak, was symbolic of the conflicts tearing AWS apart. Walendziak accused Tomaszewski of too quickly "coming to terms" with the existing system of bureaucracy and political patronage, rather than seeking to genuinely undertake reforms that would undercut many of the existing power relationships between government and domestically vested interest groups. In contrast, Tomaszewski felt that Walendziak was leaking information to the press about the suspicions of the public interest ombudsman that Tomaszewski had concealed his past links with the Communist secret police. Tomaszewski was finally removed from office in September 1999 when the suspicions were formally tabled against him, and the whole affair caused huge damage to the credibility of AWS and its leadership, as well as entrenching fault lines and conflicts among its various factions.

Both Buzek and Krzaklewski faced a similar dilemma: to lead from the front, at the expense of losing supporters on the margins, or to play the role of arbiters and co-ordinators, focusing on complicated tactics to satisfy all possible factions within party and government. For Buzek, the former choice would have meant sacking or reshuffling unpopular ministers before they became targets for attack; and for Krzaklewski, that would have meant moving forward quickly to forge a single party from AWS, instead of leaving it as loose coalition of bickering politicians. In an attempt to buy off short-term stability, both Buzek and Krzaklewski chose the easier options. The inefficiencies which that choice produced provoked a vicious circle of declining popularity and increasing dissent in the ranks, which were becoming increasingly difficult to control.

#### The Role of the Media

Although the causes of the decline in support for the right were largely a function of its own internal problems, it cannot be denied that an important extraneous factor was its failure to control the media, at least in the sense of ensuring fair and balanced reporting. The key was the National Radio and Television Council, the body that was set up in the early 1990s to supervise both state and private media, issue licenses for private broadcasters, and ensure that politics did not interfere in radio and television. It soon became clear that the council first elected in 1993 was unable to prevent national radio and television from slowly slipping into the political control of the post-Communist SLD. Over the next few years, programming, especially news programming, became the personal fiefdom of the SLD, and to a lesser extent, the PSL.

The 1997 elections, and the opportunity to introduce more center-right politicians into the council on a rotation basis, gave hope that at least a more balanced oversight of the Polish media might be achieved. AWS representatives on the council negotiated with those members loyal to the Freedom Union, in the hope that with the aid of PSL members, AWS and UW might be able to elect a new council chairman, and assert an anti-SLD majority that could clean house in Polish television and radio. However, the UW put forward its own candidate (Juliusz Braun) and allowed him to be elected with the votes of SLD and PSL members, thereby allowing SLD influence in the media to be preserved.

#### The Government Disintegrates

The greatest body blow to the AWS government was the final departure of the UW from the government in May 2000. Superficially it was triggered by the decision by Buzek to appoint a commissioner to run Warsaw Central Council, thus removing control of the council from the Freedom Union. This rapidly snowballed into a government-shattering event. Just two hours before he signed the order to install the commissioner, the prime minister had assured UW leader Balcerowicz that he would not do so. That was the last straw for Balcerowicz and the Freedom Union: having totally lost confidence in the integrity of the prime minister, staying in government would have amounted to moral capitulation. In return, it was thought, the Freedom Union would distance itself from an unpopular government and re-establish support. In the end it turned out that even this maneuver did not prevent it from failing to reach parliament in the 2001 elections.

Following the departure of UW from the government, AWS was the only party supporting the government, and because of the oddities of the Polish constitution, it proved impossible to remove Buzek as prime minister. Thus the final year was characterized by an atmosphere of drift and paralysis. Essentially any attempt to radically change the political fortunes of the government - say by removing Buzek, or engineering a major cabinet reshuffle - would make it impossible to recover internal political equilibrium within AWS. This was because the only thing that kept AWS and the government together was a complex web of inter-relations among individuals, ministers and parties, which would be almost impossible to reconstruct in any new configuration. Krzaklewski, too, was reluctant to engineer any changes that would threaten his control over AWS. For him, the issue was now whether he would maintain control over the rump of AWS after the elections, and prepare for a 2005 election as its leader. Any changes now would endanger that plan. For the very same reason, Krzaklewski made the decision to run for president in October 2000 against the incumbent Aleksander Kwasniewski. Not to have run would have meant allowing the establishment of a counter-figure to his authority in AWS, even though by competing in the elections and suffering a disastrous first-round defeat to Kwasniewski, he finally buried what remaining authority he had in AWS, forcing his resignation a couple of months later.

To make matters worse, the end of the Buzek government became tainted with a fatal issue in Polish politics, corruption. One scandal involved the hugely controversial privatization of the state PZU insurance company, another the choice of the strategic partner for Poland's state lottery. A third scandal involved the arrest of the assistant of the deputy defense minister on corruption charges involving military procurements. All these were reported with much publicity, and further damaged to the reputation and credibility of the center right.

# III. RECONFIGURATION AGAIN. RECOVERY FOR SURE. ALSO REINVENTION?

#### The Seeds of Recovery

Paradoxically it was at this stage that the seeds were sown for the revival of the right just four years later, in the elections of 2005. Just as it seemed incredible in 1993 to believe

that the post-Communist left would lose the 1997 elections, so few could have believed that the massive defeat of 2001 – when the rump AWS party failed to pass the electoral threshold after being trounced by the post-Communist SLD - could be overcome by the right just four years later. The process commenced in January 2001 with the departure of key figures from the UW and AWS to create the so-called Civic Platform (PO), essentially a liberal-conservative movement, headed by presidential candidate Andrzej Olechowski, Deputy Speaker of the Senate Donald Tusk and Parliamentary Speaker Maciej Płażyński. Its leaders deliberately portrayed themselves as anti-establishment players, tapping into the latent hostility of ordinary Poles towards a seemingly ossified and corrupt establishment.

In some ways, the message of the Platform echoed the themes of other political movements that spread across Europe in recent years, such as *Forza Italia* in Italy. There is of course no comparison between this movement and the Platform in terms of policies, but the streak of anti-establishment populism was the same. In the case of the Platform, the policies were a combination of free-market (flat tax and flexible labor markets) and conservative ideas. Significantly, the Platform played heavily on the theme of cleaning up Polish politics and getting rid of the overbearing influence of corruption-prone parties in the media and economy. Their proposals of a first-past-the-post voting system, direct elections of town mayors, and reform of party finance were all specific ideas to achieve these goals.

The process of decomposition was mirrored within AWS itself, when over the summer key members of the movement left to form the more traditionally conservative Law and Justice (PiS) party. It was run by the Kaczynski brothers, one of whom, Lech, had been appointed by Buzek as minister of justice. Kaczyński exposed himself politically by using his time as minister to support the creation of PiS, formally run by his brother Jarosław. PiS quickly outpaced the AWS movement in the pre-election polls, and attracted many former AWS MPs and supporters disgusted at the political and moral disaster that AWS had become.

PO and PiS had several things in common. By publicly declaring themselves to be a qualitative break with their old parent parties of AWS and UW, they were both claiming to introduce a new model of political activity while focusing heavily on themes of competence and anti-corruption. Also, both parties publicly turned their backs on the Solidarity trade union, which had been the lynchpin of the AWS movement, and also at the heart of anti-Communist activity throughout the 1990s. In the spring of 2001, the Solidarity trade union decided to formally withdraw from active party politics and to revert to its classic trade union role.

In the last months of Buzek's rule, the parties which made up the ruling coalition struggled to come to terms with the defeat of Krzaklewski in the presidential elections, and the prospect of massive defeat in the upcoming September parliamentary elections. What originally began as a struggle for the succession to Krzaklewski as the leader of AWS turned into a battle for the heart and soul of the entire center right, as it increasingly became clear that AWS itself was disintegrating. As defeat became increasingly inevitable, so the constituent parties of AWS started looking for alternatives, attracted to the Civic Platform on the one hand and the PiS movement on the other. It proved a wise choice, because in the elections, it was the PO and PiS that entered the new parliament, and not AWS.

#### The Post-Communist Revival

Although the catastrophic defeat of AWS and UW in the September 2001 elections was largely of their own making (both failed to pass the five percent threshold for parliament, while SLD obtained 41% of the popular vote), the defeat would not have been so great had it not been for the efforts of the leader of the Democratic Left Alliance, Leszek Miller. In the aftermath of the 1997 elections, SLD morale was at an all-time low, especially among regional activists who had been convinced right up to the last moment that they had the elections in the bag. Miller's first step was to transform the SLD from a loose alliance of left-wing parties and groups into a single party with him at the helm. The next step was then to focus on winning elections. Miller recognized that by bringing to a new party a more youthful leadership less tainted by the past, and launching a policy debate about the role of the left in a capitalist and Catholic Poland, he could be the driving force behind their re-emergence in the 2001 elections.

Miller and SLD leaders realized that the first task should be to stabilize its support. This was achieved through a political stance that reassured core supporters and voters that the SLD remained in fighting mood and was not reneging on its anti-Solidarity and anti-AWS principles. With their core support secure, Miller and his colleagues moved onto stage two, namely extending SLD influence back towards the center ground which had assured it of electoral victory in 1993, and securing the presidency for former SLD leader Aleksander Kwaśniewski in 1995. It was in the loyalties of this small middle strand of voters on which parliamentary success depended in the 2001 parliamentary elections, as well as in the reelection campaign of SLD's historical leader, President Kwaśniewski. By now posing as the party of reasonableness and compromise, Miller was able to paint AWS as the aggressive force in Polish politics, unwilling to compromise for "the good of the country."

#### A New Generation of the Right

The disintegration of the AWS coalition is now seen by many as a positive development for Polish politics. It was difficult to envisage Polish voters being prepared yet again, say in 2005, to vote back into office the same politicians who so decidedly lost their trust. Yet the Polish right was historically immune to any serious changes of leadership, with the same failed faces being rotated through successive parties and factions. Political annihilation through electoral defeat may have been the only method of forcing through a change of political style and leadership.

Secondly, it was increasingly clear that a right dominated by the ethos of the Solidarity trade union would be incapable of generating the policies that Poland would increasingly require in years to come. The priorities of the 21st century are to push forward economic policies that will allow Poland to compete in increasingly demanding international markets, and that cannot be done without lower taxes, more flexible labor markets, and less state intervention in the economy – everything to which Solidarity was opposed. In retrospect it is clear that the 1997-2001 Buzek government was center-right in name only, at least as far as economic policy was concerned. AWS had come to power with a broad agenda of social engineering, through legislation that essentially set up an extensive welfare state that will take a heroic effort to dismantle.

AWS ultimately drew its political legitimacy from having been on the anti-Communist side during the pre-1989 period. Now, the electorate was telling the leadership of the right that it no longer regarded that as enough to win their vote. The beneficiaries of this collapse of faith were PO and PiS, who decided to seek support not through appealing to past glories but by offering a clear policy alternative to the SLD, especially in economics, challenging the SLD from the point of view of policy, not ideology. The baton on the center and right of Polish politics was about to be picked up by politicians who, although not entirely blame-free for the debacles of the last four years, were at least seeking to redefine what anti-Communist politics should look like. That opportunity, of creating a non-Communist opposition which was both free-market and conservative, rather than statist and reactionary, was at the end of 2001 within the reach of Poland's right – and by 2005, it was ready to be grasped and carried towards victory.

In the intervening years, both Civic Platform and Law and Justice have emerged as the unchallenged standard bearers of the Polish right, preparing to take power in the elections of 2005. To reach this position they were helped by the total collapse of the SLD, which had stormed to power in 2001, through a series of highly public corruption scandals involving the upper reaches of government. But the key to their success was their rejection of any affiliation with the compromised right-of-center government of Jerzy Buzek, and to define themselves against both the Communists and the failed right. The other pillar of their success was their transparent and strict application of the highest ethical standards to their membership and leaders, and intolerance of corruption or nepotism in their own ranks. Finally both parties invested large amounts of time and resources into defining their policies professionally and competently, even if those policies are anathema to the traditional electoral base of the "old right," such as trade unions. In Poland, the "new right" has discovered what the successful right-ofcenter parties in the United States under Ronald Reagan and in the United Kingdom under Margaret Thatcher discovered. This is that an open and principled dialogue on difficult policy issues delivered by credible politicians is the way to achieve political success, even in Central Europe. How far that electoral success in 2005 will be transformed into a permanent dominance of the political scene in the future remains to be seen.

#### APPENDIX:

#### List of Major Parties and Their Acronyms

Labor Union - UP Alliance of the Democratic Left - SLD Polish Peasant Party - PSL Self-Defense - SO Freedom Union - UW Civic Platform - PO Law and Justice - PiS League of Polish Families - LPR

Party / Coalition		1991	1993	1997	2001
Labor Union	UP		7.3	4.7	
Alliance of the Democratic Left	SLD	12.0	20.4	27.1	41.0
Polish Peasant Party	PSL	6.7	15.4	7.3	9.0
Self-Defense	SO		2.8	0.1	10.2
Freedom Union	UW	19.8	14.6	13.4	3.1
Civic Platform	PO				12.7
Center Alliance	PC	8.7	4.4		
Christian National Union	ZChN	9.0	6.4		
Solidarity Trade Union	NSZZ	5.1	4.9		
Solidarity Election Action	AWS			33.8	5.6
Law and Justice	PiS				9.5
Confederation of Independent Poland	KPN	7.5	5.8		
League of Polish Families	LPR				7.9

#### **Relevant Election Results** (% of votes, major parties only)

#### Notes:

- Before 2001, the SLD ran as an SLD coalition around the Social Democracy of Poland (SdRP); in 2001, after becoming the SLD party, it ran in a coalition with UP.
- UW was created through a merger of the Liberal Democratic Congress and the Democratic Union. The election results for UW in 1991 and 1993 represent the sum of both parties' individual results.
- In 1997, AWS was a coalition comprised of ZChN, the Party of Christian Democracy (PChD), the Conservative People's Party (SKL) and the Solidarity Trade Union. In 2001, it ran as AWS of the Right (AWSP), a rump alliance based on ZChN.

#### **Presidents:**

- 1. Wojciech Jaruzelski (31 December 1989 22 December 1990)
- **2. Lech Wałęsa** (22 December 1990 23 December 1995)
- 3. Aleksander Kwaśniewski (23 December 1995 today)

#### **Governments:**

- 1. Tadeusz Mazowiecki (24 August 1989 14 December 1990)
- **2. Jan Krzysztof Bielecki** (12 January 1991 5 December 1991)
- **3. Jan Olszewski** (23 December 1991 5 April 1992)
- 4. Waldemar Pawlak I (5 June 1992 10 July 1992)
- **5. Hanna Suchocka** (11 July 1992 25 October 1993)
- **6. Waldemar Pawlak II** (26 October 1993 1 March 1995)
- 7. **Józef Oleksy** (4 March 1995 26 January 1996)
- **8. Włodzimierz Cimoszewicz** (5 February 1996 17 October 1997)
- **9. Jerzy Buzek** (17 October 1997 19 October 2001)
- **10. Leszek Miller** (19 October 2001- 2 May 2004)
- **11. Marek Belka** (2 May 2004 today)

# HAVE WE REALLY LOST IN ROMANIA?

#### SEBASTIAN LĂZĂROIU

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#### I. BACKGROUND ON THE ROMANIAN RIGHT

In the 1990 elections, the National Liberal Party (PNL) and the National Peasant Christian Democratic Party (PNTCD) re-emerged on the right side of the Romanian political spectrum. They claimed this position on the basis of being successors to the dominant pre-World War II parties, the Liberals and National Peasant Party. Even though PNTCD was considered center-left before the war, after 1989 it defined itself as a Christian-democratic force opposing the former Communist party transformed into the National Salvation Front (FSN).

Having lost the 1990 democratic elections, PNL and PNTCD created the nucleus of the center-right pole of Romanian politics, toward which other smaller parties gravitated (for instance traditional social democrats – the PSDR – and ecologists). However, the initiative of creating the Democratic Convention of Romania (CDR) comprising all of these came from an NGO Civic Alliance that in 1990 gathered prominent figures from among anti-Communist dissidents and intellectuals. Other associations like those of former political prisoners of the Communist regime and of leaders of the 1989 revolution joined the CDR alliance.

In the 1992 local elections, CDR had some major successes in Bucharest and other large cities, and it announced a possible victory in the fall general elections. But the Liberals decided to run by themselves in the general elections and left CDR, which shook the solidarity of the center-right pole. University Professor in Geology and Rector of the University of Bucharest Emil Constantinescu was elected president of CDR and candidate for the presidency. The Liberals failed to enter the parliament in 1992, while CDR got a good result, but not enough to govern the country. In the 1996 elections, the Liberals re-joined CDR, and solidarity on the right has been stronger ever since.

Against a background of accusations of corruption addressed at the ruling Democratic National Salvation Front (FDSN) government, and with all significant media aligned with CDR during the 1996 parliamentary election campaign, the right-of-center coalition succeeded in winning the elections. However, it could not govern the country alone and had to invite a center-left coalition of traditional social democrats with the Democratic Party (PD) and Democratic Union of Hungarians in Romania (UDMR) grouping to join the coalition. Constantinescu was also elected president of Romania when he defeated post-Communist, would-be Social Democrat Ion Iliescu in the runoff election.

There were so many parties in the government coalition that internal quarrelling could not be overcome throughout the whole period of the mandate. Difficult economic reforms were also undertaken, resulting in a population that was desperate and frustrated by the time of the 2000 elections. People voted for the former-Communist Social Democratic Party of Romania (PDSR) and the Greater Romania Party (PRM), which was comprised of extremists combining nationalism and antiestablishment appeals including, for example, a promised to get rid of corruption even though this meant executing corrupt individuals in public places. The CDR split again as the Liberals wanted to avoid being held responsible for the difficulties of the government. PNTCD thus took all the blame, and even though it was covered under a newly renamed coalition, CDR 2000, it became a marginal force.

In 2004, the liberal PNL and pragmatic PD decided to form a new right-of-center coalition around two prominent political figures: Theodor Stolojan (former independent prime minister between 1991-1992) and Traian Băsescu (former minister of transportation from 1990-1992 and 1996-2000, and mayor of Bucharest from 2000-2004). The Truth and Justice Alliance (DA) was created, but it was probably too late in coming to secure a visible success in the elections: the DA did not manage to get more votes than the incumbent Social Democratic Party (PSD).

The Alliance did succeed, however, in having its candidate, Basescu, elected as president of Romania. He defeated the PDS candidate, former Prime Minister Adrian Năstase, a very unpopular political figure, who had been accused of corruption and controlling mass media for his own benefit, but who was a very powerful party bureaucrat and executive. Năstase was defeated in the second round by a very close margin (51.5% to 49.5%). This gave an impetus to Băsescu, who, playing a very tough political game, precluded forming a PDS ruling coalition with the Romanian Humanist Party (PUR) and UDMR. He talked these parties into coming to support the DA candidate for prime minister partly by persuasion and partly by threat of new elections. Băsescu took advantage of the constitutional right of the president to propose the prime minister. Had parliament rejected his proposal three times, new elections would have been organized, and small parties like PUR and UDMR faced the danger of not gaining a sufficient percentage to make it into parliament. Bluffing or not, Băsescu made a government of DA, PUR, and UDMR happen.

#### II. INTRODUCTION

Former President of Romania Emil Constantinescu made a shocking statement just before he completed his term in office: "I was defeated by former secret police people." We are not going to dwell much on what was behind this clear-cut declaration – one that is quite unusual coming from the president of a country. But the statement itself reveals the fight of Romanian politicians with the Communist ghosts that has always accompanied their struggle against poverty, underdevelopment, inflation and all other side effects of economic reforms that have been initiated in Romania during the last fifteen years. Occult powers are often comfortable excuses for justifying political failure, giving rise to the conspiracy theories that have flourished throughout the difficult transition process. Were there no imagination to explain what happens behind visible events, there would be no exciting stories to help cover abstract statistical figures about poor performance in government.

This is not to deny the fact that many former secret police and Communist activists have tried to gain new positions of influence within the new configuration of power after 1990. Several studies have evidenced how political power of former Communist decision-makers was converted into economic and political privileges all around Eastern Europe. However, assigning a decisive occult influence by such people spread along various institutions and organizations, as if they had a secret code of action and a common objective to restore the past regime, is mostly a social and political myth. Such myths, however, are useful as history is continuously written and re-written. They might divert people's attention from the day-to-day facts of life; they are good excuses for politicians who fail to understand their duties and they keep people aware of past mistakes.

Did the Romanian right really lose in 2000? And how and why? There are split opinions on this matter, which can be summarized as follows:

- The "sacrifice" scenario: Some analysts say that losing power in 2000 was the expected outcome of a four-year period of harsh and painful economic reforms. People blame the politicians for short-term consequences, because when they vote they are usually blind to overarching *raison d'etat* or long-term benefits. Was the support of the Romanian authorities for the US forces' bombing of Belgrade (against public opinion) a step forward to gaining later NATO membership? Were the massive lay-offs in mining regions a first step toward a healthier economy that cut subsidies and closed the "black holes" of the economy?
- The "incompetence" scenario: Other analysts say that the right-of-center coalition was not able to understand and manage all the processes of good governance in order to reach improved macro-economic performance. It could not control inflation, social unrest, unemployment, bureaucracy, implementation of political decisions, etc. In this argument, macroeconomic figures are good symptoms of incompetence in governing matters, and center-right politicians were simply not able to deliver on what they promised.
- The "high-expectations" scenario: Most analysts believe that during the 1996 electoral campaign, the CDR could not restrain itself from promising a flood of milk and honey if it were to win the election. People trusted these promises and formed very high expectations at the beginning of the governing period (1997). As positive outcomes of reform had not appeared at the mid-term and, on the contrary, people found themselves worse off than three years before, they dramatically lost faith in political leaders and therefore voted not only for the Social Democrats, but also for the extremist Greater Romania Party in the 2000 elections.
- The "ex-Communist forces conspiracy:" There were numerous accounts that the Democratic Convention was not really able to gain the upper hand over the bureaucracy and secret services, which maintained a fair amount of autonomy in their decisions and plotted along with the political opposition to undermine the government's authority. In January 1999, when a significant group of miners headed to Bucharest threatening the government with violent protest, law enforcement proved to be weak in trying to halt the march. Police forces easily retreated in the face of an organized group of miners, and the prime minister was forced to negotiate a truce with union leaders.
- The divided-government coalition: For the first time since 1990, the government included more than one party. In fact there were so many political parties and civil society forces represented in the executive branch that any conceivable prime minister could not have mediated among the divergent political interests. Clashes among governing parties impeded necessary reforms. Also, as a result and attempt to solve these frictions three prime ministers were successively appointed (and dismissed) not without dangerous fooling around with the constitution.

But it would be completely wrong to think that only one of these explanations accounts for the electoral failure in 2000. All five scenarios are plausible, since one can find more than one example to back up each explanation. The five sets of explanations are not even

independent of each other. One thing leads to another, and this is how a critical mass of discontent turned into a huge desire for changing the government.

It could be that the Democratic Convention really raised expectations beyond what anyone else could have accomplished in a four-year term, but it could equally have been a lack
of expertise in government matters that actually widened the gap between the promises
and what was delivered. It could be that some bureaucrats remained faithful to the former
incumbents (the Social Democrats) and tried to block some political decisions because
they were frustrated with poor governance. Ultimately, one should not ignore the fact that
the right-of-center coalition made progress in some necessary but painful reforms that at
the end of the day resulted in healthy economic growth, starting in 2000 and continuing
in the following years under social democratic rule.

#### III. FALLING DOWN FROM THE HIGHEST PEAK

Newton's gravity laws demonstrate that the higher the point from which an object falls, the more serious the damage to that object when it hits the ground. Transposing this into the realm of human expectations, one could say that the higher the expectations, the greater the disappointment when expectations are not fulfilled. But of course human beings try to master the laws of gravity so as to smooth the fall and avoid damage and have therefore invented such devices as airplanes, parachutes, elastic cord for bungee jumping, etc.

left — right 70 60 50 40 30 20 10 n nov96 dec97 jun98 oct99 nov00 oct01 nov02 oct03 nov04 mar97 nov98 may99 may00 mar01 mar04 mar02 feb03

Chart 1: Evolution of Voter Intentions for Right and Left Political Blocks 1996 – 2004

Source: Public Opinion Barometer, CURS 1996-2004

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Likewise, governments, while naturally eroding their credibility when in power, have invented various ways to maintain people's trust in their capacity to fulfill promises.

At least two transfers of power in Romania show that the winner benefited from the high trust of the population soon after the elections. In Chart 1, one can observe CDR (centerright) in 1997 and the Social Democratic Party (center-left) in 2000 having scores in public opinion polls after elections that were much higher than those they had received in the official ballot. However, even though many people believed that CDR had created high expectations after the 1996 elections and this was the reason for such a dramatic failure<sup>1</sup>, it seems that the high expectations scenario is only partially true. In 2000, PSD tried to better control voter expectations, but was still invested with a high level of trust just after the elections. It seems that the PSD did better in using its "parachute" than its right-of-center opponents, since the party succeeded in preserving its score in the 2004 elections (almost 37%).

There are other differences that we should highlight not only between the two governing periods (1997-2000 and 2001-2004), but also between the contexts in which CDR and PSD, respectively, won the elections.

First, while CDR fought hard to take power in 1996, PSD took power almost as a natural gift in 2000. CDR victory was announced (but not certain) only six months before the 1996 elections. The Social Democrats, on the other hand, were favored in the polls more than one year before the 2000 elections. Second, whereas the incumbent, right-of-center coalition entered the 2000 elections profoundly divided (two candidates for president, two different political entities), the PSD stayed united, even though a fraction had split in 1997 and tried to create an alternative.<sup>2</sup> Finally, while CDR won the elections in 1996 against a background of relative prosperity and stability, PSD addressed its messages in 2000 to a frustrated, disappointed population plagued by poverty, low consumption and high inflation.

In order to win the 1996 elections, CDR was almost forced to promise the impossible. Its *Contract with Romania* comprised a list of issues to be solved in only 200 days. These were very important issues for various categories of Romanians: youth, pensioners, farmers, blue-collar workers, white-collar workers, etc. Close scrutiny of such promises would have indicated to rational voters that God himself would have to be involved in the government in order to have everything solved in 200 days. But voters were so outraged by corruption scandals involving high government officials reported by the media, that they rationalized the desire for change by saying, "if only half of these promises are fulfilled, we would still live much better than now," or "if these promises come true in 800 days instead of 200 then we would still doing well in two years." Experts still think that even this kind of "discount thinking" regarding the CDR's program was extremely optimistic.

In 2000, PSD (at that time still PDSR) promised to restore authority and ease the pain resulting from the reform process, which of course was not presented as such but mostly as a lack of

CDR's major component, the National Christian Democratic Peasant's Party (PNTCD), did not pass the threshold for parliamentary representation in 2000 and 2004.

This was the Alliance for Romania (ApR) which, however, failed to pass the threshold for parliament, even though it won almost 10% in the 2000 local elections. ApR located itself within the social-liberal political current and tried to capitalize on popular discontent toward both right and left.

competence on the part of the center-right government, disregard for the poor majority and in-fighting among coalition members. Basically, the PSD promised only to heal the wounds and nothing more, but what followed the election exceeded the people's expectations.

Still, there was one more difference in communicating with the public. While the CDR government exposed the public to all crises, setbacks, and in-fighting, with the media enjoying each and every political scandal, PSD had developed a strategy to manage public exposure by controlling the media from the very beginning. It was said that the media had actually defeated the left in 1996 by criticizing the government and promoting the right-of-center coalition. After having lost the 1996 elections, left-wing political leaders admitted that they should have been friendlier with the media so as to build a more positive public image. Many expected the PSD not to repeat the same mistake during 2001-2004, and indeed it did not. But instead of developing a friendly relationship with newspapers and TV stations, the PSD preferred to control information flows by manipulating the media's market constraints and opportunities<sup>3</sup>.

Finally, the electoral basis for right-of-center parties was rather narrow and still is. Urban, educated, young professionals from Western regions and Bucharest mostly vote for the center right, as they hope to fulfill their entrepreneurial aspirations, while poor, old people from rural area and the poorest regions of the country vote PSD and center left (considered the heirs of the Communist party), as they need more assistance from the government. The majority of voters falls into the second category, due to the difficulties of the transition process and the collapse of the Communist would-be welfare regime. However, the center-right coalition proceeded to undertake tough economic reforms in the urban industrial sector (including privatization and closing-down of state enterprises) and thereby alienated a good share of its traditional voters. This means that the electoral base of the CDR had gotten even narrower by 2000.

#### IV. Wrong Causes for Good Consequences

Sometimes in history, what seems to be wrong at a given moment is a cause for a positive event later on. Is this because what seemed to be wrong was actually right? Or is it because the positive event was only perceived negatively? The question is hard to answer, but there are least two major examples to illustrate how some "negative" actions of the center-right government between 1996-2000 lead to some "positive" consequences right after the 2000 elections. Needless to say, all these "negative" actions played a role in CDR losing popular support after four years in power.

The first example is a classic illustration of how to govern against public opinion, but for higher reasons. In April 1999, NATO decided to take action against the Milošević dictatorship in Serbia to stop the massacre of Albanians in Kosovo. Taking action, in this case, involved using armed force to crush the symbolic institutions of the Milošević dictatorship. The bombing of Belgrade required support from neighboring states, including Ro-

Most media outlets had accumulated debts to the state budget and expected the new government to forgive these debts. PSD had closed its eyes, suggesting favorable behavior toward government actions. Selling government or state company advertising to media was also an act of distributing privileges to the most obedient.

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mania, that were not full NATO members at the time, but only partners. It is well known that after the collapse of the Soviet Union's security system, Romanians badly wanted to see their country under the official protection of NATO, that is, to become a member state in the Alliance. The country's first attempt in this direction was made in 1997 in Madrid, when Romania was not invited to join NATO among other Central European countries, but was promised to be included in the next wave of enlargement, assuming that a set of conditions were met. Romanians were still optimistic.

However, bombing Belgrade was a rather controversial issue in public opinion. Romanian authorities decided to support NATO logistically in 1999 in order to threaten the Milošević regime, while public opinion was more against offering that kind of support. Around 40% of Bucharest voters believed the authorities took the wrong position in the conflict between NATO and Milošević, and only 35-37% considered the position correct. This outcome was all the more significant, given that Bucharest was a stronghold of the Democratic Convention (CURS survey 1999). A total of 85% of the respondents in the same survey wanted the attack on Belgrade to cease as soon as possible, and 64% thought that bombing Belgrade was just an act of NATO aggression towards another country. Throughout the rest of the country, the opposition was even stronger – 76% of adult Romanians opposed Romania's logistical support of the NATO bombing of Belgrade (POB, May 1999).

This opposition was derived from the feelings of Romanians that they should not contribute to aggression against a neighbor. Moreover this particular neighboring country shared the same Orthodox religion, and bombing Belgrade had not stopped even on Easter. The Social Democrats, in the opposition at that time, opposed the bombing and the offer of logistical support to NATO. Of course, they capitalized on popular discontent about the bombing of Belgrade and the government decision to support NATO. Three years later, Romania became a full member of NATO, under the Social Democratic-led government, and Social Democrats in power decided to send troops to Afghanistan and Iraq. Social Democrats themselves wanted to be "the artisans" of NATO integration, although many analysts considered that had Romania decided not to support NATO in 1999, it would not have become a full member in 2002.

Another illustrative example is linked to the fate of mining regions. For several years after 1990, the restructuring of mining enterprises was considered a hot potato for any government. In fact, one needed much courage to take on the issue. Subsidies granted to state-owned mines had become a serious burden to the budget, and the cost per unit of Romanian coal was said to exceed the price of imported coal. The only reason not to close down some of the inefficient mines was concern for the miners themselves and their families.

The critical mining region was Valea Jiului (in the Southwest of the country), because mining was the dominant economic activity in the region and therefore the main source of income for households. Other auxiliary activities developed around mining enterprises, which meant that closing down the mines would lead to massive unemployment of the population and to poverty. Mining unions had proven to be the strongest labor organizations in the country after 1990, and the Petre Roman cabinet was actually dismissed by the miners in 1991, when it attempted to start restructuring the mining area. Miners came to Bucharest in a violent protest and forced the government to resign, with the support of some conservative figures of the ex-Communist party at that time.

The first center-right government in 1997 wanted to continue the process of restructuring the mining regions. It offered generous financial incentives for miners to leave their jobs. As no alternative jobs could be found in the region, authorities hoped that ex-miners would leave the area and relocate in rural sites or set up businesses with the money they received as lay-off incentives. None of these had happened as planned. The solution turned out to be unsustainable. Ex-miners spent all the money, remained unemployed and became increasingly discontented.

The second attempt to restructure mining enterprises occurred at the end of 1998. This time unions strongly reacted against the government plan to reduce subsidies and lay off other miners. They organized a march to Bucharest in January 1999 led by the now famous Miron Cozma – the same individual who crushed the student protest in Bucharest in 1990 and forced the government to step down in 1991. The new march terrified public opinion and the authorities. Police tried to stop the miners in a violent confrontation, but the miners' army won the first battle, compelling the prime minister to negotiate to have the miners return home. This was just a short-term truce, buying center-right politicians some time to arrest Cozma and indict him for undermining public authority. Discovering this, the miners started another march to Bucharest, but this time the protest was violently suppressed by the police, and Cozma was arrested and sentenced to eighteen years in prison.

That was the moment at which the strong union of miners from Valea Jiului was actually dismantled for good.<sup>4</sup> From that moment on, the reform process has continued peacefully, as sustainable solutions were sought for laid-off miners. This was beneficial to the PSD government which was back in power in 2001 and continued to take the necessary measures of cutting off subsidies for mining regions and providing alternatives for the redundant workforce. The ex-Communists would never have tried to suppress the potential violence (sometimes of a paramilitary nature) of the miners' union, but the center-right government was determined to prevent the union from undermining any reform attempt. As a consequence, it was not only the mining sector that underwent restructuring, but also other state-owned industries, as well. Another bitter lesson that authorities learned was that police forces were not determined to confront the miners and that the political opposition wanted to gain electoral capital from miners' discontent.

## V. TAMING BUREAUCRACY WITH STICK AND CARROT

The episode of high-ranking police officers retreating in the face of the enraged army of miners was not unique during the center right's rule, as the minister of interior at the time felt that the situation exceeded his control and competence. He was soon replaced, and the police forces succeeded in restoring law and order. The clash between politicians and technocrats (bureaucrats) was harsh and not without consequences for the reform

<sup>&</sup>lt;sup>4</sup> Opinion polls conducted during this period showed that people from Bucharest were horrified by the possibility of miners coming to the capital (73% thought miners should be stopped in their march to Bucharest), but most people all around the country were rather sympathetic to the miners' protest.

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process after 1990. It was always said that ex-Communist politicians, mostly grouped around the Social Democratic Party, had experience in working with a powerful bureaucracy inherited from the Communist regime. The bureaucracy basically incorporated the knowledge of how to govern. From this perspective, politicians had to rely on this expertise or perish.

On the other hand, the bureaucracy in the army, secret services, ministries, local administration and justice system was in its nature conservative and resistant to change. The decision between shock therapy and slower reform after 1990 in Romania was almost made by the bureaucracy. Rapid changes would have led to technocrats losing all privileges and power. Democratic processes that occurred after 1990 gradually removed discretionary power from the bureaucracy and empowered new social and political categories. In order to see their strategies and programs implemented, politicians then had to compromise with technocrats. One of the major compromises concluded was leaving more opportunities for bureaucrats to control economic resources. This is mainly how corruption was generated in transition societies and spread to all administration levels. The apparent competence of the social democrats in government business was due to this armistice that enabled them to negotiate with the bureaucracy. The technocrats had to obey political orders and implement gradual reforms, in exchange for protection in matters of corruption. Privatization of stateowned enterprises, public procurement and fiscal policies all included space for illicit but profitable personal business for the bureaucrats. Obviously not all politicians were innocent in liberalizing informal practices that skimmed off the benefit of transition economies. Sometimes they took their own share.

When center-right parties came to power for the first time in 1997 determined to fight corruption, they either discovered the occult mechanisms that resisted reforms or the benefits of compromising with the bureaucracy. All in all, inexperienced liberal and Christian-democrat politicians realized the real force of the bureaucracy in Romania. There were several accounts of ministers in that period regarding how people in the administrative apparatus behaved very selectively, implementing decisions mostly according to their private interests. There was a sense of solidarity among second- or third-level public officials that started to function whenever group interests were threatened by political decisions.

Before having won the 1996 elections, the Democratic Convention promised to bring 15,000 experts into the administrative machinery. This, however, was another number that had nothing to do with reality. In fact, the right did not expect to win the 1996 elections and therefore was not prepared to govern the country. Even though they tried to replace some of the heads of the bureaucracy, they did not have enough competent people to fill all positions, and soon became the victims of the powerful technocratic machinery. Most of the old public officials were retained in exchange for political loyalty. Democratic Convention parties, overwhelmed by the responsibility of managing economic and administrative business, preferred to live with the illusion that at least they had recruited new political activists from the bureaucratic level. Later on they understood that most of the bureaucrats would have sold their "loyalty" to any other politicians, no matter the ideology, in order to preserve their positions.

After harsh economic reforms that generated popular discontent, bureaucrats realized that the center-right parties were going to lose power in the next elections. As the PDSR was already favored by the opinion polls in 1999, public officials that seemed to be loyal to the new politicians changed sides again and began to prepare themselves for a new government to come.

It is here that we should discuss the first government crisis that occurred at the end of 1997 and split the governing coalition until the prime minister was replaced. The Democratic Convention did not get enough votes in the 1996 elections to govern the country alone and had to ally itself with the Democratic Union of Hungarians (UDMR) and the Democratic Party.<sup>5</sup> In December 1997, the Democratic Party, concerned about its own decreasing popularity in the polls, decided to provoke a government crisis and asked for the resignation of Christian Democrat Prime Minister Victor Ciorbea. The DP withdrew its ministers from the government and threatened to remove support for the coalition in parliament. The crisis lasted about four months, the prime minister resigned and the Democrats got back into the government.

But the first crisis of the governing coalition unleashed all the tensions and fights among the partners that continued without abatement afterward. The divergent interests of the parties were disclosed. When the first Christian Democrat prime minister started to investigate illegal businesses of former governments, some PD ministers (once in power) were on the "black list." They wanted the searches stopped and finally demanded removal of the head of the investigative unit.

# VI. GHOST HUNTERS: How to Arrest a Phantom

Besides fighting corruption and poverty, the political agenda of the center-right government included many other themes that were not really relevant at the moment, but were being pushed by radical civil society groups. The symbolic trial of Communism, disclosing secret police informers still in public office, property restitution, the "secrets" of the 1989 revolution (terrorist violence, Ceausescu's trial, etc.) and the miners' repression of the student protest in Bucharest in 1990 were all themes that divided society and the political class. Some of these issues divided the governing coalition itself and often also cut across individual parties.

This double agenda of the center-right government – institutional and economic reforms on the one hand, and what was called "moral reform" on the other – created a contradic-

<sup>5</sup> The Democratic Party was a faction of the former National Salvation Front (FSN), heir to the Communist party. They called themselves reformists within FSN and founded their own party in 1991 requesting more rapid reforms. Their voters were somehow more similar to those of the right-of-center parties, even though they were considered center-left. The Democratic Party upon its founding actually provided the first government team (from 1990 to 1991), before the miners, with the support of ex-Communist hardliners, brought them down. They had some experience in government business, but also maintained links with the Communist-era bureaucracy.

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tion and a great deal of trouble for the coalition. The very birth of the Democratic Convention around the Civic Alliance, which was a prestigious anti-Communist non-governmental organization established by famous intellectuals dissidents in the Communist regime, launched a program of moral principles that should govern post-Communist Romania. Purging public officials who collaborated with the Communist Party apparatus or former secret police was considered a priority action, so as to remove the main obstacles of transition to democracy and a market economy.

The contradiction between the economic and moral reform revealed itself soon after the CDR took power. Harsh structural reform of the economy could not be delayed and badly needed the full support of the population and some sense of solidarity among all political forces. Otherwise there was a risk of failure. But maintaining solidarity and support was hard to conceive as long as "moral issues" deeply divided the society.

As we have seen, some moral issues – like the 1989 revolution, bureaucrats inherited from the Communist regime, property restitution and others – alienated one of the most important coalition partners, the Democratic Party. Disclosing the names of secret police informers during the Communist years proved to be a sensitive issue even for the so-called historical political parties (such as the Liberals and Christian Democrats). Later events proved that important members of these two parties, who were former detainees in Communist prisons after World War II, were obliged to compromise with the secret police apparatus by torture and force, and that some of them had had to inform on their own dissident inmates. Obviously some of these senior members of the historical parties resisted as much as they could passage of legislation to search the secret police archives to disclose the names of informers. Thus moral reform was transformed in fighting a ghost, because ghosts are everywhere: nobody can see them, but everybody can talk about them. Communist ghosts were even to be found in the house of the ghost hunters themselves. Since ordinary people had to face the hardships of the economic reforms, they became less and less interested in calls for moral reform.

The first governmental crisis was rooted in this discontent and divide within the governing coalition. One of the Civic Alliance's prominent members, Valerian Stan, as head of the control body of prime minister's office, wanted to disclose corruption cases of governments after 1990. But most of the PD ministers in 1997 were members of the cabinet between 1990 and 1991. Therefore, they asked for Stan's resignation, but also became suspicious about the intentions of the Christian Democratic prime minister. Were their government partners planning to indict them for corruption and force them to leave the coalition? Later on, the prime minister denied that he asked his subordinate to investigate the corruption cases of PD ministers. As no one else assumed political responsibility, it was thought that occult forces were manipulating Stan to act to undermine the solidarity of the coalition. So this meant that Stan himself was part of the former secret police conspiracy. Almost everyone forgot that the Stan was a prominent member of the Civic Alliance, who had not ceased to promote moral reform principles no matter who was found guilty. The fear of the former secret police and ex-Communist infiltration of the government coalition soon turned into an obsession that paralyzed action and necessary reform measures. When the first Christian Democratic premier was forced to resign to rescue the coalition, the Civic Alliance, which had been the backbone of the Democratic

Convention, withdrew its support for the government in 1998 specifically for this reason – abandonment of moral principles by the center-right coalition.

Another episode is illustrative of such ghost-hunting actions. The PD minister of foreign affairs in 1997, Adrian Severin, who was considered second most senior in his own party, revealed in an interview that he had access to documents that proved that some famous journalists and some prominent political figures in Romania were secret agents of foreign intelligence services. He also attacked his own boss, PD Chairman Petre Roman. Following the interview, the media demanded to see the list of spies or that the minister step down. After a while the minister resigned, but he never denied the existence of the list. He was soon expelled from his own party. Since no one could clarify what had actually happened, several rumors immediately began to spread: the minister was intoxicated by the former secret police as to make him look ridiculous, or the minister himself was part of a conspiracy to artificially create another public scandal.

At the end of 2000, the law on disclosing the names of Communist secret police informers was finally passed in parliament, although not the version that was supported by the initiators, but a more moderate one. An institution was created to research the former secret police archive and disclose the names of informers. The first attempt to clear the parliament of persons with a dubious past was made before the 2000 elections. Some prominent figures of the historical parties (the Liberals and Christian Democrats) were disclosed as having reported to the secret police on colleagues and dissident friends. Contrary to public expectation, the number of names disclosed from the PDSR (heirs to the Communists) and PRM (known as the party where all former Communists and secret police officers sought shelter) did not exceed the number of names coming from the center-right coalition. Even the president of the National Liberal Party, Mircea Ionescu-Quintus, was unveiled as a former collaborator with the Communist secret police. The ghost hunting thus ended up with the ghosts among the hunters.

# VII. WHEN IDEOLOGIES CLASH AND INSTITUTIONS QUARREL

One of the basic problems of the center-right coalition from 1997-2000 was that it was not really center-right. It won the elections against the post-Communist party (PDSR), and in order to beat the opponents several parties had to form a coalition around the Democratic Convention. The CDR itself was, however, a mix of ideologies. It included traditional social democrats, which withdrew from the government by the end of the term and merged with the center-left PDSR opposition. The other two partners in the Democratic Convention – the Democratic Party and Democratic Union of Hungarians – were not center-right at all. The Democrats were members of the Socialist International and the Hungarian Union had a blend of liberal, Christian-democrat and social-democrat ideologies. It seems quite obvious that such an inclusive coalition could not have a coherent reform program. Even though liberals and Christian democrats had pushed the center-right issues on the agenda, they had to compromise with the views of the partners in the coalition

The Democrats were always concerned about their popularity in the polls, and the polls showed a constant drop. They were afraid that PDSR in the opposition would gain political capital and legitimize itself as the only authentic social democratic party in Romania. PDSR was not member of the Socialist International at that time because it was considered hard-line Communist. But it made an effort to change this image and to become a modern social-democratic party, succeeding in 2001 when it merged with other smaller social democratic groups to become the Social Democratic Party. Parallel to this process, at the end of the CDR-led government's term, PD became more and more anxious to moderate economic reforms and provide social benefits for the poor so as to preserve its own identity.

Shock therapy in the economy was only partially successful, but it was at least something. In 2000, because some of the ineffective and/or parasitic industrial plants had been shut down or privatized and subsidies had been eliminated, the economy started to recover. After three years of economic decline, the year 2000 was the first year of tenuous economic growth. A technocrat and former head of the national bank, Mugur Isarescu, was appointed prime minister, which assured some sort of equilibrium in the coalition. At the end of 1999, Romania was invited to start negotiations on EU integration, which was a major victory, but mostly a political one, since from many other perspectives Romania was not prepared for such a huge leap forward.

The economic reforms would have gone even further, had the government coalition not been such a melting pot of ideologies and interests. The Christian Democrats and the Civic Alliance wanted to promote moral reform. The Liberals were concerned more with economic restructuring. The Democrats wished to preserve their identity and provide relief for those among the population in need. The Hungarians had their own ethnic agenda, which had nothing to do with economic issues. All parties pushed for their individual interests, fears and concerns, while coordination was badly needed. Even worse, since all partners shared governing responsibilities, ideology clashes were often transposed into institutional quarrels.

The partners also found themselves in several situations prisoners of an imperfect constitution. At the end of 1999, the coalition and the president discovered that it was impossible to remove the premier without changing the whole cabinet and without going through the parliament at the mercy of the opposition. After long and embarrassing negotiations with the prime minister at that time, Radu Vasile, they succeeded in forcing him to resign. The president himself realized on several occasions that he had no political support for his actions. Once endorsed by the Democratic Convention to win the presidency, Constantinescu had thereafter no such political force on which to rely. The unofficial creed of the 2000 election year was "everyone for himself." Every party in the coalition attempted to rescue the political capital it may have had left. PD had its own candidate for the presidency, so had the Liberals, the Hungarians and the Christian Democrats. President Constantinescu decided not to run for president again, which was a real loss, especially for the Christian Democrats.

### VIII. HAVE WE REALLY LOST?

It is seems clear that center right lost the 2000 battle politically, but it did win several other things. Not only the parties won, but also democratic life in Romania.

First, the new center-right government beginning in 2005 obviously learned a number of lessons. The new alliance between Liberals (PNL) and Democrats (PD) was established on a sound basis. An agreement negotiated between the two parties was designed to prevent infighting while in power. Almost every conceivable situation finds a solution in this Alliance protocol. Although other small parties wanted to join the Alliance in 2004, both Democrats and Liberals resisted any enlargement of the coalition, given the negative experience with coordination of such bodies during the 1996-2000 period. The promises the Alliance made before 2004 elections were realistic and rather moderate, so as not to increase the expectations of the voters.

What was probably not yet learned from 1997-2000 experiences was the precariousness of the ghost hunting promises. Even the name of the new center-right coalition – "Justice and Truth" – is a bit idealistic. While the justice system needs to be profoundly reformed, and the first hundred days in government showed that the Alliance was determined to change things, soon a battle may break out among the incumbents themselves. Truth is hard to hear and justice difficult to accomplish. Despite the fact that both Liberals and Democrats strived to remove old and compromised figures from their parties, there are still prominent members that were accused of corruption and malpractice before. How will they handle these accusations without destroying government solidarity? Now both Liberals and Democrats have PNTCD as living proof of how fast a party can fall from a dominant position at the center of political system to oblivion.

#### **APPENDIX:**

#### List of Major Parties and Their Acronyms

Alliance for Romania - ApR
Democratic Alliance of Hungarians in Romania - UDMR
Democratic Convention of Romania - CDR
Democratic National Salvation Front -FDSN
Democratic Party - PD
Greater Romania Party - PRM
National Liberal Party - PNL
National Peasant Party Christian Democratic - PNTCD
National Salvation Front - FSN
Party of Romanian National Unity - PUNR
Romanian Party of Social Democracy - PDSR
Social Democratic Party - PSD

<b>Relevant Election Results</b> (% of votes	s, major	parties of	nly)
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Party / Coalition		1990	1992	1996	2000	2005
National Salvation Front	FSN	66.3				
Democratic National Salvation	FDSN		27.2			
Front						
Romanian Party of Social De-	PDSR			21.5	36.6	
mocracy	Don			21.0		
Social Democratic Party	PSD					36.8
Democratic Party	PD		10.2	12.9	7.0	
Alliance for Romania	ApR				4.1	
Truth and Justice Alliance	DA					31.5
National Liberal Party	PNL	6.4	2.6		6.9	
National Peasant Party	PNTCD				5.0	
Democratic Convention of Rom.	CDR		20.0	30.2		
Party of Rom. National Unity	PUNR	2.1	7.7	4.4	1.4	
Greater Romania Party	PRM		3.9	4.5	19.5	13
Democratic Alliance of Hungarians in Romania	UDMR	7.2	7.5	6.6	6.8	6.2

#### Notes:

- The umbrella group FSN disintegrated into FSDN (Iliescu) and rump FSN in 1992, which later converted into the PD.
- PDSR was formed after the 1993 merger of FDSN and another smaller social democratic party.
- PSD was formed after the 2001 merger of PDSR with some other smaller leftist parties.
- DA was created by the union of PD and PNL in 2004.
- ApR defected from PDSR in 1997 and later joined PNL.
- In 1992, CDR was a coalition with PNTCD as its major component; in 1996 it included PNTCD, PNL and two small environmentalist parties.

#### **Presidents:**

**Ion Iliescu** (December 1989 – June 1990)

Ion Iliescu (June 1990 – October 1996)

Emil Constantinescu (October 1996 – November 2000)

**Ion Iliescu** (November 2000 – November 2004)

Traian Băsescu (December 2004 - today)

#### **Governments:**

- 1. Petre Roman I (December 1989 June 1990)
- 2. **Petre Roman II** (June 1990 September 1991)
- 3. **Theodor Stolojan** (October 1991 September 1992)

- 4. Nicolae Văcăroiu (October 1992 October 1996)
- 5. Victor Ciorbea (November 1996 April 1998)
- 6. **Radu Vasile** (May 1998 December 1999)
- 7. **Mugur Isărescu** (December 1999 November 2000)
- 8. Adrian Năstase (December 2000-December 2004)
- 9. Calin Popescu-Tăriceanu (December 2004 today)

# CENTER-RIGHT PARTIES IN SLOVAKIA: FROM FAILURES TO SUCCESS

# GRIGORIJ MESEŽNIKOV

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### I. INTRODUCTION

The Slovak Republic, with its Czech neighbor, shares the distinction of being the youngest independent state in Europe. Since its creation in 2003, it has gone through two basic periods in development. The first was a period of deep "democracy deficit" which excluded the country from the process of the Euroatlantic integration (1993 - 1998). In this period, Slovakia was considered a deviant country and a "black hole in Central Europe." The second was a period of radical socio-economic reforms and a strengthening of democracy, during which the country returned to the path of integration (1998 - 2005). Since 2002, Slovakia has been considered a "Central European reform tiger."

One of the key factors that has influenced development in Slovakia since 1993 is the configuration of political forces, particularly the positions of center-right parties within the party system. Their strength resulted from support obtained in parliamentary elections, internal organizational cohesion and positions in the institutions of state. Other strengths include their ability to form coalitions and alliances (among themselves, as well as with parties of different political and ideological orientation), their programmatic background, an efficient party structure, skillful political leaders and their relationships with non-party actors. These strengths continue to play an important role in determining the direction of the country's development.

# II. DEVELOPMENT OF THE SLOVAK CENTER RIGHT AND FACTORS INFLUENCING IT

The positions of center-right, conservative, Christian-democratic and liberal political groupings within the party system of the Slovak Republic are influenced by a variety of factors, including:

- the long process of social development in the 1990s, marked by the emergence of the independent state, the nature of the transformation process and the struggle to forge an identity for the political regime in the years 1993 1998;
- the proportion between particular segments of the party system (left vs. right, democrats vs. national populists);
- reshuffling inside the center-right segment of the party system, characterized by competitive and frequently contentious relations;
- the periodic "emptying" of the liberal wing and the emergence of new liberal formations;
- the political and socio-cultural orientations of the population and the degree of voter identification with non-left ideologies;
- relative discontinuity as far as local historic patterns of party politics are concerned; and
- the extent to which particular parties are members of international party associations (such as the European People's Party, the European Democratic Union, the Liberal International, the European Liberal Democrat and Reform party and the Christian Democrat International)

Since 1990, there have been several political parties in Slovakia that define themselves as liberal, conservative or Christian-democratic. Some of them have disappeared, while others have united with parties of a similar ideology. Several parties exist today as independent formations:

- The *Christian Democratic Movement* (KDH), in existence since 1990, has established itself as a conservative, Christian political force.
- The Slovak Democratic and Christian Union (SDKÚ) was founded in 2000 with a merger of the liberal Democratic Union (DÚ) with one of the factions of the Christian Democratic Movement.
- The Party of the Hungarian Coalition (SMK), founded in 1998, is comprised of three political parties representing the interests of the Hungarian ethnic minority in Slovakia

   the Hungarian Christian Democratic Movement (MKDH), the liberal-conservative movement "Co-existence," and the liberal Hungarian Civic Party (MOS).
- The *Alliance of the New Citizen* (ANO) was established in 2001 as a political party with a liberal orientation.
- The *Democratic Party* (DS), a civic-right party, is the successor of the historical DS which was founded in 1944 during the anti-fascist Slovak National Uprising. In the years 1993-1994, some small political parties of similar orientation united with the DS, including the Conservative Democratic Party, the Party of Conservative Democrats, and the Civic Democratic Party in Slovakia.

Since the first free elections after the fall of the Communist regime in 1990, center-right political formations in Slovakia have maintained strong positions in the system of executive power longer than any other political force. They have greatly influenced the country's development during the last 10 years. During the other six years, the country was governed by national-populist parties with unclear ideological and programmatic profiles and an authoritarian style of government.

In the years 1990-1992, center-right parties were members of the government that created the political and legislative basis for systemic changes in society, specifically the broad civic, liberal-democratic movement Public Against Violence (VPN) which gradually transformed into the civic-right Civic Democratic Union (ODÚ), the conservative KDH and civic-right DS. Between March and September 1994, center-right parties (the conservative KDH and liberal DÚ), the post-Communist Party of the Democratic Left (SDL) and the Hungarian parties made up the provisional government.

In the years 1998 – 2002, the Slovak Democratic Coalition (SDK), dominated by center-right parties (KDH, DÚ, and DS), was the strongest member of the broad democratic coalition. It ruled together with the conservative SMK and two left-of-center parties – the SDL and the Party of Civic Understanding (SOP). After the parliamentary elections in 2002, a programmatically homogeneous government was created consisting of three conservative parties (SDKÚ, KDH and SMK) and one liberal party (ANO).

In Slovakia, in contrast to other Central and Eastern Europe countries, center-right parties have not competed against the post-Communist left, but rather against other political forces. They have also been quite successful in their efforts. This fact can be adequately explained

only in the context of the peculiarities of Slovakia's social transformation after the fall of the Communist regime. Therefore, a more detailed description and analysis is needed of the developments that preceded the electoral victories of center-right parties in 1998 and 2002.

## III. CENTER-RIGHT PARTIES AS INITIATORS OF SYSTEMIC CHANGES AFTER 1989

In the initial (so-called "federal") period of transformation, the Slovak center-right parties' policy symbolized the effort to conduct systemic changes and to build the basis for a democratic political system and a market economy. These parties achieved remarkably good results in the first free elections in 1990. Their success, however, was connected mostly with the plebiscitary character of the elections as a vote against Communism. For a considerable part of the population in 1990, the VPN and KDH symbolized a victory over the Communist regime in November 1989. However, their ideological and political profile was not yet fully developed.

Total support for the VPN, KDH and DS represented 53% of valid votes in 1990. The coalition of two Hungarian political formations (MKDH and Coexistence), which had declared themselves as non-left parties, won almost 9% of votes. Their electoral support, however, stemmed from ethnic voting on the part of Hungarians living in Slovakia. After the elections, VPN, KDH and DS created a coalition government. Two members of this government – VPN and KDH – also became members of the Czechoslovak federal coalition government.

The policy of radical systemic changes in Slovakia, introduced by the federal and Slovak governments, was quickly met with resistance by a significant part of the population. The biggest disagreement was provoked by economic changes. Inflation, price growth and a rapid rise in unemployment were perceived by many Slovaks as a result of the process of economic liberalization. The so-called "Klaus shock therapy" became a negative symbol of the market economy. Political forces quickly capitalized on resistance to the "shock therapy" method of economic transformation, as well as on people's disappointment with "federal" economic policy. However, no left-wing parties benefited from the public's dissatisfaction, and it was the national-populist forces that successfully mobilized the voters.

# IV. INITIAL CONFLICTS: DEFYING REFORMS AND CONTROVERSY OVER THE STATE MODEL FOR CZECHOSLOVAKIA

The issue of the state model of Czechoslovakia interrupted the process of formation of a basic configuration of political forces in Slovakia in the early 1990s. An opinion clash between supporters of preserving the common Czechoslovak federative state and adherents of other solutions<sup>1</sup> was added to the one between supporters and opponents of systemic

These solutions varied from unclear models of confederation and union under which two republics would operate as states with absolute state sovereignty, to the entire separation and creation of two independent states.

socio-economic changes. Strong supporters of preserving the common Czechoslovak state unanimously supported a policy of economic reforms, while proponents of other alternatives to the Czechoslovak state model opposed reform policies. They argued that the policies were harmful to Slovakia, and that they were a result of Slovakia's submissive position within the Czechoslovak state.

In the years 1991-1992, several important changes took place in Slovakia's party system. The most important was that the Movement for a Democratic Slovakia (HZDS) split from VPN and stood against the VPN's reform policies. The HZDS employed national and social populism and presented itself as the bearer of an alternative concept for the state model, championing the blurred idea of introducing Slovakia's national sovereignty into the Czechoslovak arrangement. HZDS had been gaining a relatively strong level of support from the population and became a dominant political force.

Before the second free elections in 1992, the political landscape was divided and defined by certain crucial, fundamental issues, especially the questions regarding socio-economic reforms and the nature of the relationship between the Czech state and Slovakia. Center-right ruling parties – that is the ODÚ (i.e. the rump VPN that transformed itself into a right-of-center democratic political formation after the separation of HZDS), KDH and DS – supported the "federal" economic reforms and preservation of the common Czechoslovak state. KDH, which had not completely refused the idea of Slovakia's sovereignty, claimed that it was not the appropriate time for independence, and that the common Czechoslovak state was more advantageous for Slovakia. Hungarian political parties (MKDH and Coexistence) shared attitudes similar to those of the center-right ruling parties. These parties were not members of the government coalition. They did, however, supported socio-economic reform policies and were loyal to the Czechoslovak state.

HZDS refused the "federal" economic reforms and was against the preservation of the Czechoslovak federation in its then-current form. Although this party did not openly speak about the declaration of full state independence, its ambiguous and unrealistic suggestions about the further coexistence of the Czech Republic and Slovak Republic (confederation or union) created a favorable atmosphere for the division of Czechoslovakia. The Slovak National Party (SNS), a party of radical nationalists, unanimously refused "federal" economic reform, as well as maintenance of the common Czechoslovak state. The SNS, which openly asked for a declaration of national independence, was the strongest party of the separatist camp. The post-Communist SDE refused "shock therapy," yet rejected Slovak separatism and supported the preservation of the common state.

Opinion polls confirmed that it was HZDS that was gaining ground with its critical views on the reform policy of the first non-Communist government and by its somewhat unclear stance on the issue of an appropriate state model. It became clear that this party was going to receive substantial voter support in the upcoming elections. The civic-right democratic parties had weaker public support and were unable to create any pre-election alliances that would guarantee them seats in parliament.

On the center-right, only the KDH and the Hungarian MKDH-Coexistence coalition made it to parliament in 1992 as a result of dissatisfaction with the results of the initial reforms, the wave of nationalism that was triggered by the separatist forces and the inability of civic-right

forces to overcome their disunity in order to form pre-election alliances. The center-right parties' share of the vote (16% of valid votes) was almost four times smaller than the center right's share in 1990. The results of the parliamentary elections in 1992 were catastrophic for the civic-right. Smaller civic parties also failed to use appropriate pre-election coalition strategies, running separately and failing to enter the parliament.<sup>2</sup> As a result, a considerable segment of the political right, almost 10% of votes, was denied representation in parliament.

After the elections in 1992, a government of the HZDS was formed that ruled with the "silent" and later official support from the nationalist SNS. The inability of the victorious parties in the Czech Republic and Slovakia to resolve the question of Czechoslovakia's state model resulted in the division of the Czech and Slovak Federative Republic (ČSFR) and the creation of two separate, independent states. National-authoritarian and populist forces were strengthened in Slovakia as a consequence. They used their strong positions not only for enforcement of their preferred state model and building an independent Slovak state, but also for concentrating power. In the period 1993-1994, however, the authoritarian national-populist camp was weakened by the attrition processes. Groups of moderate politicians first left HZDS and later SNS to form the centrist Democratic Union, which declared itself a liberal party.

After the ruling coalition of HZDS and SNS lost its majority in spring 1994, the conservative KDH, liberal DU and post-Communist SDE, with the support of the Hungarian parties, voted the nationalists from power and formed an interim coalition government that ruled from March until September 1994. The broad left-right composition of the government indicated that the main dividing line in Slovakia's party system was not related to differences in policy or ideology, but rather to the manner in which parties executed power. The common ground of the KDH-DÚ-SDE coalition (with support from the Hungarian parties) was resistance to authoritarianism and faithfulness to the principles of democracy and the rule of law. This political division between democratic and authoritarian parties grew in the coming years and greatly influenced the country's future development.

# V. REORGANIZATION OF THE CENTER RIGHT IN ITS FIGHT AGAINST AUTHORITARIANISM

A comparison of the results of the early parliamentary elections in 1994 to those of 1992 demonstrates the strong positions of non-left democratic parties, even though the overall post-election configuration of political forces was much more favorable for the national-authoritarian forces to create a coalition.

Three center-right formations were elected to parliament in 1994 – the KDH, the Hungarian Coalition (MK) and DÚ. Non-left, democratic parties which entered parliament represented about 29% of valid votes, almost twice as much as in 1992. DS, which failed to form a coalition with KDH, ran separately and won only 3.4% of valid votes, thus failing to make it to parliament.

These were the Civic Democratic Union (ODÚ, the rump VPN), the Democratic Party (DS) in coalition with the Civic Democratic Party (ODS) and, finally, the Hungarian Civic Party (MOS).

A government of three parties - the HZDS, SNS, and ZRS (Association of Workers of Slovakia) - was formed after the elections in 1994. In addition to the two national-populist parties, the newly founded, radical-leftist ZRS became a member of the ruling coalition. The binding force of this unusual coalition was an authoritarian approach to the execution of power that contradicted the values of liberal democracy. From the first day of its term in government, the authoritarian coalition focused on concentration of power and on limiting opportunities for free and democratic political competition. The government stopped all socio-economic reforms. The only reforms it supported were those that strengthened its own power positions (i.e. the non-transparent privatization of state assets to the hands of entrepreneurs politically loyal to the government). In the years 1994-1998, the conservative, Christian-democratic and liberal formations (KDH, DÚ, MK, and DS) formed an anti-authoritarian alliance. Its primary aim was to preserve the democratic character of the state. On one hand, these parties solidified their ideological positions (their membership in international party organizations played a significant role in this process); on the other hand, they tried to cooperate with each other in order to create broader groupings, whose main aim was to defeat the dominant national-authoritarian force, the HZDS.

After the government of Vladimír Mečiar thwarted a referendum on direct presidential election in July 1997, the Slovak Democratic Coalition (SDK) was created with five constituent members: three non-leftist formations (KDH, DÚ and DS), the leftist Social Democratic Party of Slovakia (SDSS) and the ecologically oriented Green Party of Slovakia (SZS). The main motive of this political alliance was to bring an end to the rule of the authoritarian forces.

Before the parliamentary elections in 1998, the SDK had to change its organizational status and formally register as a separate party due to an amendment to election law approved by the ruling coalition shortly before elections (this amendment in fact prohibited electoral coalitions). Actually, the SDK was an "electoral party" with a limited membership – i.e. the 150 people on its candidate list. The candidates on this list were representatives of all five constituent ("mother") parties, the five ideological platforms within the SDK. The parties which formed the SDK in 1997 did not formally participate in the 1998 elections (the party called "SDK" ran instead of them), but they did not cease to exist. The Hungarian parties – MKDH, Coexistence and MOS – preferred another organizational model. Under the pressure of the discriminatory new election law, they fused into a single party, the Party of the Hungarian Coalition.

# VI. THE CENTER RIGHT HEADS THE REFORM BLOC AFTER THE PRINCIPAL CHANGE IN 1998

The 1998 elections were a turning point in the country's development. The center-right formations SDK and SMK won a total of 35% of votes. The success of the SDK was a result of the following factors:

• effective coalition strategies chosen by center-right parties (These strategies helped center-right forces to overcome the highly fragmented center-right segment of the political spectrum and to prevent the possibility of losing the votes of center-right party supporters, as happened in the elections in 1992 and 1994);

- high voter mobilization (election turnout exceeded 84%);
- effective approaches in targeting pro-democracy-oriented voters;
- strong positions of center-right parties within civil society and participation of these parties in broader democratic alliances (together with NGOs, think tanks, independent media, influential groups of intellectuals, representatives of churches, etc.);
- perception of center-right parties by the population as the primary defenders of democracy during the governance of the authoritarian national-populist parties; and
- the significant pro-integration orientation of Slovakia's citizens, who perceived SDK as a force which was able to remove obstacles for Slovakia's participation in the process of EU and NATO enlargement erected by Mečiar's government.

The solid results of the SDK and SMK helped to create a broad democratic coalition (with four constituent parties – the SDK, SMK, SDE and SOP)<sup>3</sup> which stabilized internal political developments, erased the authoritarian rules enacted by Mečiar's government and began to carry out important reforms in the constitutional system and in some socio-economic sectors. Within the broad coalition, the center-right parties had a stronger position than the left. Although the relations among center-right parties themselves from 1999–2000 were marked by numerous conflicts on the policy level, especially in carrying out reforms, these parties succeeded in preserving a sufficient degree of unity and cohesion in order to implement the government's liberal economic program.

The center-right parties' solid policy platform helped them defeat the authoritarian HZDS and to consolidate their own positions in the coalition and later defeat their former coalition partners on the left. SDK presented a lengthy set of policy papers which were prepared by experts representing particular constituent ("mother") parties of the SDK (KDH, DÚ and DS), as well as experts from academia and some independent think tanks. SDK also offered the public not only political, but real policy alternatives. After the 1998 elections, many key points of this document became the basis of the programs of the first cabinet of Prime Minister Mikuláš Dzurinda. In those areas in which government tried to carry out reform, the center-right parties cooperated with independent, analytical think tanks and used their expertise as a basis for reform strategies. In some areas (economy, social policy and foreign policy), this included not only the utilization of expert analysis, but also the direct personal involvement of representatives from think tanks in critical state institutions.

Importantly, the fragmentation of the SDK as the core organizational mechanism of the center right, which took place from 1999–2001, ultimately did not endanger the active cooperation of center-right parties. While SMK was a relatively stable conservative party (in 2001, the SMK joined the European Democratic Union), after the 1998 elections SDK underwent a process of internal reshuffling that created conflict within its ranks.

These conflicts stemmed from disagreements about the level of cooperation and the nature of the relationship with the non-left democratic parties. While SDK leader Mikuláš Dzurinda, who originally represented the KDH platform in the SDK, supported the cre-

<sup>&</sup>lt;sup>3</sup> The Party of Civic Understanding (SOP) was established in 1998 by some left-leaning politicians as a project criticizing the country's excessive polarization and the conflict-prone character of its politics.

ation of strong center-right entity (of the people's party type), the "mother" parties of SDK, especially KDH, attempted to preserve their own ideological identity and organizational independence. At the end of 2000, members of KDH who belonged to the conservative part of the party left the parliamentary caucus of SDK. By this time, KDH had definitively separated from the SDK and became an official, fifth member of the ruling coalition.

Dzurinda succeeded, however, in persuading the majority of liberal representatives of SDKÚ (members of the DÚ) and part of the Christian-democratic platform to support his idea of establishing a new people's party. In 2000, a group of SDK representatives around Dzurinda founded the Slovak Democratic and Christian Union (SDKÚ), into which the DÚ eventually merged. The founders of the SDKÚ labeled their party an instrument for the integration of center-right formations and a successor of the SDK in unifying the Christian, conservative and liberal forces. According to them, it was designed to be a union of center-right political trends, ideas and personalities and a place for Catholic, Evangelical and other Christian democrats to meet with liberals, modern conservatives and other democratically thinking citizens. They argued that SDKÚ wanted to move beyond the frontiers of ideological isolationism and to end the senseless division between confessional and civic-right forces. The founders of the new party considered coalitions of minor parties as a historical failure and a destabilizing element on the political scene.

These ideas were only partially fulfilled. Due to differing opinions about how to cooperate among center-right parties, a strong competition developed between SDKÚ and KDH. While KDH maintained a substantial portion of its original supporters, SDKÚ failed to carry out the scenario of its own transformation into the dominant people's party which would succeed in filling the area on the center right and replace the existing parties. It became a medium-sized and relatively strong party, but not a dominant political actor.

Although conflicts accompanying the reshuffling of the center-right part of the spectrum influenced the level of electoral support of particular parties, they did not have any essential impact on the implementation of reforms. The SDKÚ, KDH and SMK all cooperated to enact reform policies and effectively defended their policies against the efforts of leftist parties within the coalition (not to mention the national-populist parties). Understandably, many compromises within the "internal leftist opposition" of SDL and SOP were also necessary.

In 1999-2001, significant shifts occurred in Slovakia's party system that influenced the makeup of the political landscape and, to a great degree, predetermined the results of the 2002 parliamentary elections. In 1999, a split took place in the post-Communist SDL and as a result, the party's very popular vice chairman, Robert Fico, left the party. Fico founded the new opposition party *Smer* (meaning "direction" in Slovak), which eventually became a dominant force on the left as the SDL practically disappeared. After the liberal DÚ united with SDKÚ in 2001, there was an opportunity for a new liberal party to emerge. The Alliance of the New Citizen (ANO), created in 2001, took advantage of this opportunity. It was created by media entrepreneur Pavol Rusko, the co-owner of *Markiza*, the most popular Slovak private TV channel.

Both new parties – *Smer* and ANO – tried to get support from voters disappointed with the policies of the Dzurinda government. *Smer's* intent was to attract former SDL voters, while ANO attempted to address sectors of the center-right electorate. Both parties criti-

cized the broad, coalition government, but their rhetoric was different. While *Smer* rejected the liberal socio-economic policy of the cabinet in principle and behaved as an antireform populist party, ANO criticized Dzurinda's government for the way it carried out its reform policy (i.e. particularism and corruption), but did not reject the reforms, as such. Although opinion polls conducted in 2000 and 2001 indicated a significant decrease in electoral support for the ruling center-right parties, these parties succeeded in keeping the basic core of their voters. Shortly before elections, the support of the center-right parties strengthened as a result of their ability to effectively reach citizens with their message.

### VII. A CENTER-RIGHT GOVERNMENT OF REFORMS AFTER 2002

The results of the parliamentary elections in 2002 could be considered an indisputable success for center-right parties. It seemed that common governance of center-right and left parties from 1998–2002 resulted in the weakening of the post-Communist left. It also seems to have strengthened the center-right parties' positions, allowing them to continue the reforms they began after the 1998 elections.

Center-right parties – the SDKÚ, KDH, SMK and ANO – won almost 43% of the vote in 2002 and quickly organized a center-right coalition. Although in the pre-election period ANO was often critical of the Dzurinda cabinet's performance, the party realized that the new political environment demanded a unified policy program and decided to join the coalition.

SMK's success was more-or-less expected due to its stable support among the Hungarian electorate. The electoral gains of newly established ANO were not a surprise either, thanks to strong support from the very popular television station and the distance the party took from some unpopular steps of Dzurinda's cabinet. But the solid election gain of SDKÚ and KDH, a major component of the ruling coalition, surprised many.

Both parties benefited from their quick reform of Mečiar-era mistakes and the renewal of integration hopes of the country in 1998-1999. SDKÚ worked effectively to use a Euroatlantic-integration theme and emphasized the necessity to preserve the basic trends in the country's development in order to join the EU and NATO. Although in 1998–2002 the struggle for democracy was an issue of declining importance, the argument about the necessity to make the final break with Mečiarism was used effectively by the SDKÚ and Dzurinda to influence voters.

Another positive factor for the SDKÚ and KDH was a relatively stable socio-economic situation, as well as positive assessments of the economy by numerous international institutions. The SDKÚ interpreted this fact as a vindication of its reform policy. One of the reasons for SDKÚ's good election result, which was higher than its rating in opinion polls, was the decision of DS to step down from the elections a few days prior to voting. DS recommended that its supporters vote for SDKÚ, bringing an additional 2-3% of votes. This may have helped SDKÚ win second place after the HZDS. Thus SDKÚ surpassed *Smer*, which performed much more poorly than its pre-election scores suggested, and was officially entrusted with cabinet formation, after the HZDS failed due to its inability to find a coalition partner. The center-right parties' ability to comfortably discuss a variety

of policy topics, including those which the opposition used for its strong criticism of the government, was a contributing factor to their election success.

In the campaign, opposition Smer attacked the ruling parties, especially the SDKÚ, for alleged corruption, but while this rhetoric helped Fico keep his popularity among leftist voters, it did not weaken the support of the center-right voters for the right. Although in 1999-2002, during Dzurinda's first government, there was a number of political scandals resulting from clientelism and corrupt practices, their impact was minimal, even though the population considered (and still considers) corruption to be one of the most pressing problems of public life. This is due to a variety of factors, including the fact that during Mečiar's government, corruption was much more blatant. In comparison with the Mečiar period, people considered corruption less widespread. Also, in 1999 and 2002, some significant anti-corruption measures were carried out, such as approval of laws limiting corrupt behavior, introduction of compulsory tenders with international participation in privatization of the natural monopolies, adoption of anti-corruption government programs founding of special anti-corruption units in state institutions. Finally, publicized corruption cases resulted in personnel changes in the government cabinet and other state institutions. Center-right parties argued that they were more responsive than the Mečiar government to charges of corruption.

Since October 2002, the center-right, conservative-liberal coalition SDKÚ-SMK-KDH-ANO government has been in charge in Slovakia. It has carried out an ambitious plan of structural reforms. The government added to past reforms (such as revision of the constitution, decentralization of public administration, bank sector reform and break-up of natural monopolies) by reforming tax policy, public finances, the social system, pensions, health care, the judiciary and the military. The government is also preparing for a reform of the education system.

In last several years, the country and its population were confronted with massive reforms in a short period of time, and the positive effects on macroeconomic stability or the influx of foreign direct investments have not protected the center-right parties from a fall in popularity from 2002 levels. This has been accompanied by the increasing popularity of the strongest opposition party, *Smer*, which rejects the reform policies of the cabinet and promises to revise almost all reform measures should it come to power.

In the upcoming 2006 elections, the center-right parties need to deal with the question of how they can benefit from reform efforts that will not bear fruit until the current cabinet has left power. One of the tactics is to intensify its efforts to communicate with people about reforms and their consequences. The efficacy of this effort can be measured in shifts in public's assessment of the overall direction of society's development. At the end of 2004, polls indicated for the first time a balanced share between optimists and pessimists, while a year before, the share of pessimists was almost two times higher. This provides the center-right parties with favorable conditions for addressing voters by using a policy–focused argument.

Although relatively frequent conflicts in relations among coalition partners has not caused the weakening of the common efforts of center-right parties to implement reforms, they have had a negative impact on the positions of these parties among citizens. The problematic side of the ruling parties' activity is a trend to "instrumentalize" power, a trend that

seems to strengthen proportionally to the length of these parties' time in power. Since 2003, there have been cases of what are viewed by some as authoritarian solutions to crisis situations within the ruling coalition or within particular parties, as well as several cases related to party financing. The SDKÚ has frequently been involved in these cases. The electorate of the center-right parties is much more sensitive to the values of democracy and the respect for democratic rules in political life than the electorate of other parties. Therefore, any possible violation of these values and principles by the center right can have a damaging effect on its position in the eyes of public.

Another problem is the unclear stance of center-right parties regarding their possible cooperation with HZDS before and after the 2006 elections. Some representatives of SDKÚ do not rule out such cooperation, if SDKÚ would be forced to choose its coalition partner from among the two major opposition parties – HZDS or *Smer*. The SDKÚ justifies possible cooperation with HZDS by the necessity to preserve the pro-reform orientation of a successor government and argues that the HZDS does not threaten to reverse social and economic reforms after the elections. Cooperation of center-right parties with HZDS, however, has strong moral implications because of the undemocratic authoritarian policy of the party in the past. According to public opinion polls, the vast majority of SDKÚ voters oppose cooperation with HZDS. Many SDKÚ voters will only lend their support if SDKÚ rules out cooperation with HZDS in advance.

### VIII. CONCLUSION

From the standpoint of effectively implementing party priorities and its overall impact on the country's development, one should assess the performance of center-right parties in Slovakia as successful. This success is the result of concrete steps that were taken, as well as skills which have been demonstrated, the most important being:

- strong positions in defending democratic principles during a time when the character of political regime was being forged (1993–1998);
- the ability to offer a real political and programmatic alternatives;
- the ability to form wide coalition alliances regardless of dividing lines within the party system (for instance, cooperation with SMK representing the ethnic minority or with the leftist SDE);
- launching reform measures that reacted to the most pressing problems of society;
- delivery of real results from reform policies;
- decisive and non-compromising tactics in political and programmatic competition with left-wing forces applied even when the left was a partner in the anti-Mečiar coalition;
- strong positions in the NGO sector and the ability to use the expertise of independent organizations; and
- the ability to use the question of integration into the EU and NATO for internal transformation purposes and to gather international support for their own domestic policies.

#### **APPENDIX:**

#### List of Major Parties and Their Acronyms

Alliance of the New Citizen - ANO

Association of Workers of Slovakia- ZRS

Communist Party of Slovakia - KSS

Christian Democratic Movement - KDH

Democratic Party – DS

Democratic Union - DÚ

Party of Civic Understanding - SOP

Party of the Democratic Left - SDL

Party of the Hungarian Coalition - SMK

People's Party - Movement for Democratic Slovakia - LS-HZDS

Public Against Violence - VPN

Slovak Democratic Coalition - SDK

Slovak Democratic and Christian Union - SDKÚ

Slovak National Party - SNS

Social Democratic Party of Slovakia - SDSS

Smer - Social Democracy

#### Relevant Election Results (% of votes, major parties only)

Party / Coalition		1990	1992	1994	1998	2002
Communist Party of Slovakia	KSS		0.8	2.7	2.8	6.3
Association of Workers of Slovakia	ZRS			7.4	1.3	
Party of the Democratic Left	SDĽ	13.4	14.7	10.4	14.7	1.4
Social Democratic Party	SDSS	1.8	4.0			
Smer – Social Democracy	SMER					13.5
Party of Civic Understanding	SOP				8.0	
Public Against Violence	VPN	29.4	4.0			
Alliance of the New Citizen	ANO					8.0
Democratic Union	DÚ			8.6		
Democratic Party	DS	4.4	3.3	3.4		
Slovak Democratic Coalition	SDK				26.3	
Slovak Democratic and Christian	SDKU					15.1
Union	SDRU					13.1
Christian Democratic Movement	KDH	19.2	8.9	10.1		8.3
People's Party - Movement for	ĽS-HZDS		37.3	35.0	27.0	19.5
Democratic Slovakia	L3-HZD3					
Slovak National Party	SNS	13.9	7.9	5.4	9.1	3.3
Party of the Hungarian Coalition	SMK	8.7	9.7	10.2	9.1	11.2

#### Notes:

- SDL was still the Communist Party of Slovakia (KSS) in 1990; but changed its name to SDL in 1991. It ran as the coalition "Common Choice" in 1994 with SDSS, the Greens and a small agriculturalist party.
- The current KSS was re-established in 1992.
- HZDS separated from VPN in 1991. Rump VPN ran in 1992 as the Civic Democratic Union (ODÚ).
- SDK was an electoral party composed of KDH, DÚ, DS, SDSS and the Greens.
- SMK ran as the coalition of Coexistence (ESWS) and the Hungarian Christian Democratic Movement (MKDM) in 1990 and 1992; also the Hungarian Civic Party (MOS) joined them in the "Hungarian Coalition" in 1994. In 1998 the three parties merged.

#### **Presidents:**

Michal Kováč (March 1993 – March 1998) Rudolf Schuster (June 1999 – June 2004) Ivan Gašparovič (June 2004 – today)

#### **Governments:**

- 1. **Milan Čič** (December 1989 June 1990)
- 2. Vladimír Mečiar (June 1990 April 1991)
- 3. **Ján Čarnogurský** (April 1991 June 1992)
- 4. Vladimír Mečiar (June 1992 March 1994)
- 5. **Jozef Moravčík** (March 1994 December 1994)
- 6. Vladimír Mečiar (December 1994 October 1998)
- 7. **Mikuláš Dzurinda** (October 1998 October 2002)
- 8. Mikuláš Dzurinda (October 2002 today)

# Explaining Center-Right Defeats

### PETER UČEŇ

#### **CONTENTS:**

- I. INTRODUCTION: STABILITY AS A MATTER OF STRATEGY
- II. POLITICAL OUTCOMES LEADING TO THE ESTABLISHMENT AND VICTORIES OF THE CENTER RIGHT
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# I. Introduction: Stability as a Matter of Strategy

Explaining the center right's defeats in Central and Eastern Europe in the first several yeas of the 21<sup>st</sup> Century is inconceivable without assessing the way these parties came to exist and consolidated themselves in their respective countries. As with any political grouping, these parties had to struggle with political opponents to claim their place within each nation's party spectrum. In some cases, particularly in the early 1990s, they were also involved in mutual struggles to define the right side of these spectra. How they fared in these trials very much shaped the premises of their electoral victories and had an impact on the way they behaved in office. This analysis of these factors includes inquiry into political outcomes that lead to the establishment and consolidation of parties on the center right. It also includes examination of the importance of party strategy, in contrast to other approaches which find social structures or historic legacies decisive.

A notable body of recent research prefers restoring the focus to the question of strategy rather than assuming structural determination. According to Aleks Szczerbiak and Seán Hanley, historical and structural explanations of the emergence, strength and success of the right in the region provide many interesting insights. What probably matters most, however, is strategy. Thus, "the re-emergence of the center-right in post-communist Central and Eastern Europe can be more fully understood only by considering a range of 'political' factors marginalized or reduced to structural variables in existing comparative analysis (*See* Szczerbiak, Aleks and Seán Hanley, "Introduction: Understanding the Politics of the Right in Contemporary East-Central Europe," *Journal of Communist Studies and Transition Politics* 20:3, pages 1-8.)

#### Similarly, Hanley suggests that

"rather than a stress on regime legacies and state-society relations, it appears that a renewed focus on the political strategies during late Communism and the early transition period may be necessary in order to explain the varied success of the Center Right in the region." (Hanley, Seán, "Getting the Right Right: Redefining the Centre-Right in Post-Communist Europe." *Journal of Communist Studies and Transition Politics* 20:3, page 23)

According to Nick Sitter, "party strategy emerges as the key variable in explaining patterns of party system stability and change" (See Sitter, Nick, "Cleavages, Party Strategy and Party System Change in Europe, East and West," Perspectives on European Politics and Society 3:3, page 425.) The reason is that when compared to early stages of Western competitive democratic politics in early 20<sup>th</sup> century when "sociological determinism" was notable<sup>1</sup>, it was much weaker in post-Communist Europe. Not being forced to base their organization or program on the representation of class or group interests,

By "sociological determinism," we mean alignment between parties and voters and between parties and groups or classes within society, where the legitimacy of this relationship is based on representation of group interests by parties within the state vis-à-vis other groups.

"post-communist parties have been free to adopt a range of party strategies, some more successful than others" (Sitter, page 426). "Hence the argument that the development of party systems is driven by party strategy, within parameters set by cleavages, institutions, voting patterns and party organization, and that conditions of post-communism place far fewer constraints on party leadership than was the case in early Twentieth Century Western Europe" (Sitter, page 429).

Similarly, in Anna Vachudová's understanding,

"political parties, though unshaped and untested, rapidly became the vehicles for democratic government in societies where social cleavages were relatively unformed. Political parties did not need to build strong links to society in order to be legitimate, and what cleavages did exist could be safely ignored as politics was structured on the cut and thrust of elite competition and of electoral campaigns fought in the media." (Vachudová, Anna M., "Integration, Security and Immigration. The European Agendas of Eastern Europe's Right Wing Parties." Paper presented at the Conference of Europeanists, The Council for European Studies, Chicago, 14-16 March 2002, page 3).

To sum up the argument, in post-Communist polities we encounter

"parties that operate under less constraining parameters, and are freer to experiment with different types of strategies. Somewhat paradoxically, this happened at the same time as actual policy choices were constrained by the overwhelming consensus in favor of West European liberal democracy and free markets, which meant operating within International Monetary Fund (IMF) guidelines and designing public policy compatible with the European Union's Acquis Communautaire. Party strategy therefore became the key factor shaping the development and stabilisation of party systems (Sitter, page 434, italics added)."

This conclusion takes this perspective on the analysis of the development and performance of parties on the center right in the seven countries under examination.

# II. POLITICAL OUTCOMES LEADING TO THE ESTABLISHMENT AND VICTORIES OF THE CENTER RIGHT.

In the foreword to this publication, we provided a few convenient definitional characteristics of the center right in Central and Eastern Europe offered by Hanley. In line with the view that party strategies are decisive for stabilization of the party system, this chapter continues with a logical elaboration – an account of how the right was defined in individual countries and by whom. As we have seen, such struggles for dominance on the right took place in almost all countries and yielded results affecting the configuration of entire party systems. The relationship of the right towards "non-right" actors has become, naturally, the crucial aspect of these configurations.

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A few generalizations and examples should precede actual country-by-country treatment. In defining the right, the main rival alternatives were conservative-liberal (or neo-liberal) and national-Christian-conservative parties (the Czech Republic, Poland, Hungary and the Baltic States). In other cases, the rivalry in this respect did not exist (Macedonia) or was influenced, postponed and overshadowed by a conflict with a powerful non-right adversary or adversaries (Slovakia, Romania, Bulgaria).

As far as party system configurations and the right's relationship to other actors was concerned, we have seen the following basic outcomes<sup>2</sup>: (1) alternation of the largely moderate right and left blocks (Hungary, Poland and the Czech Republic, with the qualification that this alternation was impaired in the 1990s); (2) appearance of a powerful national-populist dominant party which appropriated some of the traditional rightist appeals and frustrated creation of the viable moderate right (Slovakia, Croatia); and (3) contest and alternation of the incipient right with strong, unreformed left (Romania, Bulgaria) in a highly polarized environment.

Regarding the second and third cases, the moderate right (but also the moderate left) was weak and fragmented. A viable, moderate right had to be sometimes laboriously constructed from among market liberals, moderate nationalists and Christian democrats (and even some moderate leftists) in an opposition struggle with the authoritarian-leaning rule of dominant radicals. The moderate right's development was often bound to take place in coalition with non-right forces or in an inescapable but distorting alliance with the moderate left. This was certainly not a catastrophe, but it did have an impact on how the right developed. The moderate right was able to win only when the public began to disapprove of authoritarian excesses or dramatic economic conditions under the ruling national populists or post-Communists. The paramount importance of the EU factor must not be forgotten here. As radicals came to be perceived as an obstacle to a nation's ambition to join the EU, it made the case for the moderate, pro-Western right much more viable.

In *Bulgaria*, the UDF originated in the strong anti-Communist emotions and stance of a part of the population. Throughout the 1990s, the UDF was transformed from a coalition of some fourteen parties and organizations into a unified party organization that only in an advanced stage of party-building took up an ideology, Christian democracy, and tried to implant it on the party. In general, and maybe because of its preoccupation with internal consolidation, the UDF practically never sought to absorb and marginalize its smaller non-socialist partners; a coalition strategy was preferred instead. (Of course, the party made sure to dominate the ADF coalition while in power.)

Power was handed to the UDF and its allies by the 1996 popular riots against "life under the post-Communists." The Socialists discredited themselves by their immense arrogance, corruption, and refusal to implement basic pro-market reforms which resulted in an acute economic crisis. The UDF, however, deservedly earned its right to rule, as it succeeded in presenting itself as a viable alternative. It also passed the test of overcoming narrow group egoism when it managed to come to terms with its partners regarding the use of primary elections as a mechanism for selecting a presidential candidate.

With few but important reservations, this scheme is adopted from Vachudová.

The battle fought on the right in the early 1990s in *Hungary* involved a Christian national option (the MDF) and a liberal one (SzDSZ and Fidesz) and was won by the former. Later developments brought the shift of the Free Democrats towards the Socialists and Fidesz's drift towards nationalist conservativism. Hungarian conservativism thus actually developed itself in opposition to the Westernizing and modernizing politics of social democrats and social liberals. This formula brought reward to the Young Democrats in the form of election victory, as well as domination of the right pole of Hungarian politics. Unlike the UDF, Fidesz tirelessly tried to swallow and otherwise subjugate smaller groupings on the right (KDNP, FKgP, MDF) and often succeeded in doing so.<sup>3</sup>

While the current Hungarian competitive pattern is that of alternation of the left and right, doubts regarding the degree of its moderateness linger. In fact, this competition has become very intense and takes place in an increasingly polarized environment. Fidesz, in particular, has been the target of frequent accusations of using extremist appeals for the sake of mobilization, of political brinksmanship and of polarizing the polity.

Also not infrequent are opinions that both major actors in Hungarian political competition, the Socialists and Fidesz, have to a great extent rejected programmatic, policy-based competition and instead slavishly followed the public mood, resorted to campaign populism and plundered state resources while in government to keep their populist promises. Be these allegations substantiated or not, Tamás Lánczi in his chapter points out the role of state paternalism (called the "new conception of the state") in the electoral victory of Fidesz in 1998, when the party juxtaposed its caring, family-oriented and patriotic paternalism to the 'cold' technocratic policies of the Socialists and Free Democrats. Fidesz also put its bet on inclusion, participation and mobilization of people. This has manifested itself in its ceaseless encouragement to participate in the political process, as opposed to the Socialist strategy of depoliticization of many spheres of public life. All in all, Fidesz has embarked upon quite a unique political style in the region, scoring many successes, but at the same time encountering harsh criticism and suffering demonization by its opponents. Also, by its deliberate choice, prospects for the right in Hungary are framed by the assumption that competition is to remain antagonistic and election results close to tied for the foreseeable future.

In *Lithuania*, the largely national-conservative version of the right, embodied by the Homeland Union, also came to dominate the right side of the spectrum in the early 1990s. Its stature and success rested on anti-Communism and its resolute pro-independence stances. Its achievement in the 1996 elections was based on the successful exploitation of its predecessor's self-discreditation. The Conservatives promised to increase living standards based on private initiative-induced economic growth, and this offer resonated after four years of social democratic rule. They also offered the hope of increasing the standards of public morality and benefited from the sowing of populist promises to various population groups as well, as Mantas Adomenas notes in his chapter. Lithuanian Conservatives did not face a serious challenge from other parties on the right until late in the 1990s,

MDF, a small national conservative party and remnant of a glorious past, is ailing in the shadow of Fidesz, but so far resists all attempts to be taken over by it or included under the Orbanite umbrella.

when as a result of their controversial years in power, they temporarily yielded their status as the dominant party on the right to the Liberal Union.

On the surface, the competitive pattern of *Macedonia* reminds one of alternation of moderate leftist and rightist blocks seen in some other countries in the region. This contest, however, in Macedonia takes place in an environment hardly favorable to programmatic competition. Moreover, it is troubled by ethnic problems. From the beginning, VMRO, a historical melding of nationalism and anti-Communism, dominated the right pole of the party system, even though, as Andrej Lepavcov mentions, it did so mostly without explicit declarations of allegiance to a set of traditionally center-right principles. It may be that VMRO's position on the right was determined by that of its main rival, the post-Communist SDSM, and its social democratic orientation.

VMRO owed its rise to power in 1998 to the resentment by voters of the Socialist colonization of the state and the exploitation of its resources, privatization-related corruption and the alleged involvement of the ruling establishment in and benefiting from pyramid schemes that impoverished a large part of the population. The country also faced a broad economic crisis, even though not as acute as it was in the cases of Bulgaria or Romania. As many of these practices were not unknown for VMRO in power either, it seems that they are the major driving force of the Macedonian power alternation, which suggests a serious lack of programmatic competition.

In *Poland* the conflict of the post-Communist versus post-Solidarity parties has dominated the scene. Within the post-Solidarity right, there was a Western liberal wing (UW) and a large and patchy Christian-national one. These two never actually fought the serious battle of the right; instead they were involved in a complicated series of cohabitations and coalitions (*See* Bakke, Elisabeth and Nick Sitter, "Patterns of Stability. Party Competition and Strategy in Central Europe since 1989," *Party Politics* 11:1, pages 243-263.)

Although unstable and disunited, the right in Poland managed to dominate the government and to introduce economic reforms until 1993. The 1993 election victory of the post-Communist left showed the limits of 'tinkering' and gave impetus to reformation of the relationships of various right-of-center groups, in which an umbrella-like grouping of loosely organized ties among parties on their right was chosen. This was embodied in the Solidarity Election Action (AWS), which turned out to be instrumental in the consolidation of electoral support for the right and eventually brought it to power after the 1997 elections.

The right owed its victory exactly to this "creation of an appropriate political vehicle," as Marek Matraszek puts it, and to the good result of its potential ally UW, rather than to its predecessor's poor performance. In fact, SLD did not suffer a crushing defeat in 1997; it actually increased its share of votes. AWS was clever enough, however, to make use of the natural unpopularity of the incumbent government and of several incompetent steps towards the end of its tenure to win by a small but extremely important margin of the vote. The 'political vehicle' chosen by the Polish right in 1997, however, would later play a prominent role in the explanation of AWS failures in power.

Romania is an example of laborious construction of a viable, moderate center-right – an undertaking, which some argue is hardly finished even today. The two historic parties, PNL and PNTCD, declared their right-of-center orientation in 1990. In the form of an early CDR, they faced various reincarnations of the Communist party (FSN, FDSN,

PDSR) in highly polarized contest troubled by their own disunity (namely PNL tended to drift away from the CDR) and by the necessity to cooperate with non-right actors, some of which originated from FSDN.

The CDR's victory in 1996 has to be attributed to the enormous discreditation of the ruling PDSR in the eyes of voters, as they correctly came to blame the party for the acute economic crisis and enormous corruption. This enabled a broad opposition alliance the oust post-Communists to a great extent by outbidding them in promises to improve the pressing social condition of the population and to put to an end to corruption. Another significant factor was that in 1996 PNL and PNTCD managed to avoid conflicts between themselves and thus formed a stable core for the opposition alliance.

*Slovakia* is another example of a laboriously crafted, moderate right. The original right, be it civic (VPN, DS) or confessional (KDH), scored almost 50% of the vote in the first elections, but soon had to yield to the national-populist opposition of HZDS. Mečiar's splinter from VPN thrived on criticizing the social impact of economic reforms and on the perceived failure of Slovak politicians to negotiate a satisfactory solution for the model of the Czech and Slovak relationship. The politics of the national populists in power induced intense political conflict which framed the creation of the second wave of the moderate right in Slovakia.

This "new right" was created from the remnants of the old formations of DS, KDH and post-VPN groups, where a new element was an influx of defectors from the ruling parties, namely HZDS and SNS, which eventually created the DÚ. During 1996 and 1997, the anti-Mečiar opposition of largely non-Socialist provenience arrived at a platform of gradual cohesion based on political alliances, and later in 1998 on an electoral party, the SDK. Composed of rightist, as well as minor non-rightist elements, and overwhelmed by the primary concern of overthrowing Mečiar, the SDK became the core of a broad opposition alliance which managed to take power after the 1998 parliamentary elections.

As Grigorij Mesežnikov puts it in his chapter, this victory was due to the coalition's clever strategy and impressive mobilization of society. The opposition took advantage of its rival's weakest point – its "Euro-incompatibility." More and more, Slovakia's citizens began to reject the authoritarian excesses of the HZDS-led government as they realized more clearly that these were the major obstacle for the country's admission to the European Union and NATO. Regarding mobilization, the opposition focused tremendous effort on rallying anti-authoritarian feelings, correctly calculating that unprecedented mobilization of domestic and foreign help in this respect would bring them an enormous advantage. Even though formally the right ran independently in the form of the SDK, in fact the entire opposition block (with exception of the leftist SDE) participated in civic mobilization. The right made sure it dominated the block, mainly in the process of government formation.

To sum up, consolidation of the moderate Slovak right of the second generation coincided with resistance against a national-populist, authoritarian-leaning regime, as well as with the period of the rule in a heterogeneous coalition of the left and right. Important conflicts on the right (within the SDK) took place while the party was in charge of government: an ongoing conflict culminated between proponents of a unification model around PM Dzurinda, who campaigned for creating a large people's party, and proponents of a coalition model, namely the KDH, which maintained that independent parties should be retained

and should form electoral coalitions as needed. The result of this clash was a withdrawal of KDH from SDK and separation of the unification wing in the new SDKÚ. The most recent "offspring" of the Slovak center-right is ANO, a party which came into existence campaigning on an anti-establishment appeal, not sparing the ruling right and its political conduct from criticism, as well as on professions of economic and lifestyle liberalism.

Thus in the second half of the 1990s, all party systems involved in this study possessed an incipient or somewhat consolidated moderate right, either in the form of a large party (Hungary, Lithuania, Macedonia) or as a more-or-less formalized loose structure or coalition-like arrangements of various parties (Bulgaria, Poland, Romania, Slovakia). These options on the right defined themselves in some cases in mutual struggles and in a contest with the moderate left (Hungary, Lithuania, Poland), the dominant post-Communist left (Bulgaria, Romania, Macedonia), or national-populists (Slovakia).

As their rivals failed to deliver and discredited themselves, the right came to power in a series of elections between 1996 and 1998. Although the center-right parties used their time in office for introducing various reform programs, ultimately, with the single exception of Slovakia, they failed to be reelected. Right-of-center politics went through a decline in terms of organization, policy and often also of ideology. Rather than relying on explanations based on destiny, this chapter tries to summarize genuine reasons for this decline.

# III. "COMPARATIVE DEFEATS:" STRUCTURAL CONSTRAINTS AND STRATEGIC SHORTCOMINGS

When addressing the reasons for the decline of the right in post-Communist Europe after 1998 apart from impact of natural electoral cycles, Hanley suggests that

"it is possible, for example, that the origins of many centre-right parties as engines of regime change leave them *vulnerable to ideological exhaustion* and crises of party identity, as the fundamental institutional and political choices of post-communist transformation recede in importance. It may also be the case that the social structure of Eastern and Central European states – and, in particular, *distributions of transition 'winners' and 'losers'* – is now making it difficult to sustain strong centre-right parties in the region, leaving nationalist mobilization, Euroskepticism and anti-Communism as generally unsuccessful default strategies... Alternatively, there may be broader factors at work affecting not only the mainstream Right in the region, but also the far Right which has suffered a parallel, but much more precipitate, decline. Still more broadly, one could speculate that the problems of the Eastern and Central European centre-right may be part of a *broader political malaise* affecting the mainstream Right across many Western democracies rooted in globalization, cultural shifts and the *adaptive capacities of the centre-left*." (Hanley, page 22, italics added.)

Many of these external or environmental reasons were mentioned by our authors as well, but overall their accounts focus more on causes related to strategy, agency and choices made by center-right parties. Illustratively, Sebastian Lăzăroiu offers five possible explanations of failure of the Romanian right in the 2000 elections: the impact of painful reforms, incompetence in government, high expectations by voters, conspiracy on the left and the

fragmented nature of the right. He rightly suggests that none of these can exhaustively explain the phenomenon, and that a combination of these reasons would probably account best.

This is a typical treatment of the topic throughout this book and altogether, the most quoted reasons for reverses of the center-right parties cited here can be grouped into the following clusters:

- The first one relates to **governing**. It incorporates *painful reforms*, their social impact and the resulting negative influence on the mood of electorates, as well as the reaction of those in government when reforms backfire on their popularity. It also includes questions of political and *moral conduct* of those in power, namely problems of arrogance, alienation from the people and corruption. *Political organization for those in government*, including *coalition government*, is also a part of this cluster.
- The second cluster of reasons is linked to **parties themselves**. It takes account of their problems with internal *party organization*, *ideological exhaustion* and crisis and phenomena such as highly personalized conflicts and *infighting*.
- A separate group of reasons related to both governments and parties, which may well be a result or a composite effect of the previous two groups, is their **failure**, **or even unwillingness**, **to communicate with society**, their poor *public relations* and misguided *electoral campaigns*.

In reality this division may seem to be a bit artificial, as governing, party, and communication-related reasons for the right's decline in office more often than not act in a complex interplay. It is therefore difficult to give an account of, let us say, political incoherence without taking into account impaired party organization and ideological crises. We, however, believe this breakdown is convenient for the sake of explanation.

### Mistakes in Governing

In the group of the governing-related factors, *painful reforms* have a dual impact on the fates of the governments that undertake them. They determine the moods of an electorate that often feels pauperized and less secure in cases when governments did act responsibly, taking unpopular measures such as cutting subsidies and services and implementing privatization. They also affect the ruling reformers. As they realize there is hardly any chance that positive consequences of reforms will manifest themselves before the forthcoming elections, they tend to hesitate to engage in selling reforms to public and defending them from critics.

The impact of reform policies hit the popularity of the ruling right in practically all the countries under study, especially in Bulgaria, Lithuania and Poland, as the latter went through a series of the four major structural reforms. Popularity setbacks were followed by communication paralysis, which resulted in a vicious circle.

The Slovak example, however, shows that there is no inevitability in this respect. The Slovak government after 1998 certainly did introduce economic reforms that met with the resistance of the population. However, they never became sufficient reasons to vote the government out of power. One of the reasons is that the economic reforms undertaken were not that radical. Their reach and depth was checked by the leftist element in the coali-

tion. Also, importantly, rather than aiming at far-reaching economic overhaul, the coalition focused on improving the international standing of the country, in which it achieved remarkable success. It returned the country back to the EU and NATO integration paths, which gave a sense of dignity to the people that to a certain extent counterbalanced the unrest caused by structural reforms.

Another reason for setbacks of the center right was the whole range of misgivings related to *ethical conduct in politics* or public morality in elected office. This was one of the most disappointing features of the center-right governments: arrogance, corruption and a predatory attitude toward the resources of the state resulted in (and were perceived by public as) a nearly total failure of parties on the right to establish themselves as an alternative to their predecessors. This failure was particularly conspicuous in Macedonia, Bulgaria and Romania, but it also played a role in the Polish, Lithuanian and Hungarian center right's reversals, thus raising it almost to the status of a universal factor.

Regarding arrogance, in practically all cases elected officials forgot how and why they had been elected to office, disappointing and alienating the electorate. Politicians were seduced by power and emulated their post-Communist predecessors by seeking financial gain from their positions. The spoils of privatization – or re-privatization, in some cases – proved to be the downfall of many of the region's most promising center-right leaders. The right in Bulgaria, Romania, Lithuania, Macedonia and Poland was not immune to allegations of privatization-related corruption – accusations that often proved substantiated. Their rule was certainly seen as corrupt by the general public.

In case of Bulgaria, Svetoslav Malinov maintains that the ADF's failure was not only about policy-making, but also about moral conduct. The transparency and responsiveness of government were particularly acute problems in Bulgaria. He argues that ADF failed to understand that people rioted against the previous government not only out of social discontent, but also because they deeply resented its immoral conduct in governing. They attached high expectations to ADF's rule as a true alternative also in this respect, and as soon as the government of the right started to be perceived as "the same as Socialists" on ethical questions, punishment was not long in coming.

The profound dissatisfaction of ordinary Bulgarians with the moral aspects of the right's rule also helps us to understand that in 2001, disillusioned Bulgarians did not turn back to the Socialists. Instead, they invested their trust in a force that convincingly claimed to be different from both former ruling forces exactly in the area of public morality – the National Movement Simeon II – and in an unprecedented way. The UDF-based coalition was ousted from power in 2001 by what was one of the most breathtaking breakthroughs of a new challenger to power. The highly personalized, anti-establishment and non-ideological National Movement Simeon II won 47% of the popular vote just two months after its founding.

Also in Lithuania, the failure of the Homeland Union to become a true moral alternative to its predecessors harmed its chances in a dramatic way. The party fell from a dominant position to near-outsider status with 8% of the vote. While in power, the Conservatives – in addition to demonstrating the "normal" corruption and neglect of public interest – contributed to the rise of populist politics which continue to hamstring Lithuanian political life today by their incapacity to address and counteract what Adomenas calls the "growing rift between society and the political elite."

Macedonia perfectly fits the group of countries where the conduct of politics accounted for the demise of center-right rule rather than, or greatly in addition to, poor economic performance. According to our author, the central "ingredient" of VMRO's failure was poor public relations and an inability to counter accusations of corruption and misconduct in government. It is, however, necessary to say that this must have been a rather difficult task, as VMRO soon repeated all the missteps of its predecessors, including corruption and exploitation of state resources. Moreover, the party also earned the stigma of (or amplified an already existing) nationalist radicalism. As the Albanian insurgency took place during its time in government, some of VMRO's leaders manifested a very harsh attitude regarding treatment of the insurgents and the Albanian minority in general. This went hand-in-hand with showing a certain disproval for implementation of some provisions of the Framework Agreement in Macedonia.

The current state of the dominant party on the right, which in the meantime has split, shows that the Macedonian conservative movement is seriously torn between at least two factions. One of them relies on moderation, while the other one is clearly basing its politics on resistance to provisions of the Ohrid agreement and inciting feelings that the Slavic population of the country is being endangered by the policies of current government.

Another group of problems to be treated under the label of the governing-related causes is what could be termed *political organization for those in government*, including coalition government. This can be a problem for center-right parties in two basic ways: either the right itself prefers various loose arrangements of organization, cooperation and coordination of forces ("party as a coalition") over a single party (which may not be possible to achieve for a number of reasons), or it goes through the troubles of coexistence in coalition with other parties.

Typically, coalitions turned out to be a weak point of center-right rule. As the right is historically more prone to organizational fragmentation, inevitably the victories of the proreform coalitions in Central and Eastern Europe were based largely on coalition-building strategies. During campaigns, personal and political differences were deemphasized to present alternatives to the status quo. After elections, however, these differences quickly reemerged. While it was essential to assemble broad coalitions of democrats to defeat autocrats, these amalgams proved ill-suited to governing. Successful reform and democratic institutionalization take more than a four-year term, and while more coherent formations or single parties have a tougher chance of winning a breakthrough election, they are typically able to govern more effectively.

This was the case mainly in Romania and Poland, both of which illustrate a feature of "parties as coalitions" as a double-edged sword. While the Polish AWS and Romanian CDR were well placed to win elections, they were poorly structured to govern. On the other hand, the UDF/ADF seemed to do a much better job of unifying and governing coherently, and the most diverse government under study (in Slovakia), which was a proper coalition including one "party as a coalition" (SDK), arguably governed the best. This suggests that fragmentation as such is not an insurmountable obstacle for successful government, but it can become so, if coupled with ideological differences and party and personal egotism.

With only a little exaggeration, it can be said that the right in Slovakia not only rose to power, but practically defined itself through coalition-building – building an opposition coalition,

as well as organizing the right itself for electoral struggle in a coalition-like arrangement. The definition of the right continued in consequent conflicts as to whether to convert this coalition into a large unified rightist party or to continue in coalition practice. These conflicts, however, never proved to be fatal for the perseverance of the right in power.

The right in Slovakia had to be, and indeed under the shrewd leadership of Prime Minister Dzurinda, was extremely pragmatic in its relationships with coalition partners, namely the leftist SDL and left-leaning, antiestablishment SOP. This contrasts with the Romanian case, in which CDR had troubles handling its relationships with PD, or with the Lithuanian one, where Christian Democrats decided to distance themselves openly from their partner in rule, the Homeland Union, in an attempt to save their electoral chances.

The inescapable consequence and a frequent companion of impaired organization for governing is *political incoherence* which manifests itself in both decision-making (in executives, as well as legislatures) and policy implementation.

Poland and its AWS represent a complex case in which organizational fragility, fragmentation and lack of political coherence interplayed with ideological insufficiency. In the case of AWS, its strategy of putting together various rightist groups under one umbrella, which was so instrumental in accumulating votes, turned out to be a source of weakness while in power.

Factionalism troubled AWS in terms of organization, policy and ideology. Undisciplined deputies, a weak prime minister and ineffective leadership were the three main factors leading to the failure of AWS as an effective structure, as mentioned by Matraszek in his chapter. All three were inextricably related to fragmentation and a loose coordination mechanism of the right-wing umbrella.

The fragile and organizationally challenged AWS, a "disparate collection of parties and grouplets," as Matraszek puts it, was not able to impose voting discipline on its MPs. Some members even had perfectly rational motivations to behave as if they were in opposition to their own leadership. Thus the parliamentary caucus of this political mosaic soon became incapable and unwilling to effectively support the AWS government. By the same token, it had scant motivation to defend the government and its policies after its popularity declined due to the impact of structural reforms.

The Romanian CDR was also deeply troubled by the paralyzing effect of disunity both within the Convention itself and within the ruling coalition (the case of PD). For example, Sebastian Lăzăroiu points out the divisive potential of the "double agenda" of institutional and economic reform and moral renewal. The right, or better said, some of its important components, was not able and did not want to give up the "decommunization" agenda, which estranged allies such as PD and often precluded them from granting support for the right's structural reforms. In the end, "decommunization" also produced highly embarrassing episodes within the right itself. As anti-Communism is often a defining characteristic of the right, similar situations certainly represent a predicament for the incumbent center-right parties implementing reform programs.

Another governance-related feature of the right's rule, on which the Romanian chapter does a very good job, is treatment of the established bureaucracies by the center-right governments after their ascent to power. Lăzăroiu catchingly tackles the topic of how bu-

reaucracies reacted to the incumbency change and how the CDR in office failed either to break them and enforce adherence to political commands in policy implementation, or to come to terms with them as the Socialists did. The result was a deceptive, largely disobedient and corruption-prone bureaucracy, boycotting decisions of politicians and changing its loyalty as soon as another incumbency change started to loom on the horizon.

#### Weaknesses in Parties

As far as party-related causes are concerned, the *internal life of political parties*, in particular party organizations, stands out as extremely important one.

The Bulgarian case is illustrative of the situation in which organizational consolidation of the center-right (i.e. turning a "party as a coalition" into a unified party organization) coincided with its period in government. This contributed to the fact that successful unification of the UDF into a single party organization was accompanied by counterproductive closure, encapsulation and insulation not only from society and voters, but often also from party members on the local level. This after some time resulted in a largely dysfunctional and paralyzed party organization. Not only did the public see the party as a self-interested sect, but even its own members doubted it had a broader purpose. Not surprisingly, after the 1999 municipal elections, UDF abandoned its flagship procedure – primary elections. Venerated in 1997, just a few years later the party rejected such primaries as a source of disunity and quarrels, and returned to traditional elite-controlled method of candidate selection for the 2001 general elections. The closed character of the party resulted in its poor communication with society. This, accompanied by a ruthless infiltration of the state structures by the party nominees, further contributed to its unpopularity.

In Lithuania, the Homeland Union's coherence and efficiency in party management dwindled away precisely while the party was in office. Ill-managed organizational reform, according to Adomenas, influenced the governing capacity of the party as well as the party's public image, as it did not prevent dominance of local chiefs and clan politics. The party organization lost its attraction to people and found itself trapped in the resulting recruitment crisis. Local party organizations to a great extent lost their capacity to interact with society.

Ideological crisis may, but need not necessarily, go hand-in-hand with organizational crisis. Adomėnas depicts the transformation of the ideological space of Lithuanian politics during conservative rule, including the Conservatives' ideological exhaustion. Gradually, the party got to the stage that "towards the end of their parliamentary term" where they "eventually found themselves without any distinctive political vision to offer." Although it had always been a doctrinal party, the Homeland Union at a certain point underwent such a strong ideological dilution that it had nothing distinct to offer to voters on the right and eventually lost its position as the main party of the right to the Liberal Union. This tendency receded only gradually with the rise of a new leader.

In general, center-right parties run the risk of ideological dilution and exhaustion when overwhelmed by governing and suffer from a drain of personnel from the party to the structures of government. There can be "too many" right-of-center messages competing in the case of "parties as coalitions," or there can be an absence of message as parties dilute their identity in the pragmatism often required by governing. The latter danger was

prevented in Hungary by Orbán, who chose instead to keep the party and the nation constantly busy by offering them a vision of a complex overhaul both in terms of organization and ideology (see Lánczi's chapter for an informative account of this topic). This strategy proved successful, but backfired in many other respects.

Looking for factors within party internal life other than party organizations proper leads us to factional disunity and personal infighting. In Lithuania, strong personality-related factors played a role in both Conservative successes and failures. The movement suffered from factionalism and personal intrigue. This contributed greatly to an overall political incoherence which included, for example, the inability to defy new challengers on the right, namely President Adamkus and the Liberal Union, and a lack of capacity to solve the problems in the policy area. In Romania, for example, three "political" center-right prime ministers and two caretaker ones held power over the course of one four-year term – not because of policy differences, but because of personality conflicts and factional and personal jockeying for power.

#### Non-Communication and Ineffective Attempts to Communicate

Finally, it is rather difficult to approach the tribulations of center-right ruling parties and coalitions in their *communication with society*, as this is a complex problem related to both governments and individual parties. It also may be a result or joint effect of various causes already tackled in this text.

For example, constant and well publicized quarreling among parties and politicians while the right was in power often persuaded the public that elected officials cared more about their own standing than the needs of the electorate. Generally speaking, this was certainly part of a flawed communication strategy, but its real reasons may have rested in organizational disunity, irreconcilable ideological differences, or in struggles over (corrupt) allocation of resources, rather than in just a simple lack of communication skills.

In general, ruling center-right parties in their communication strategies faced several dilemmas: to communicate pro-actively or to respond on questions from the opposition, media and society? What to do when negative coverage dominates the press, overshadowing government achievements? Defend its actions? Point out achievements? Go negative about the political opponents? Try to subjugate the public media that were under control of the cabinet and parliament?

Solutions to these dilemmas were often influenced by the party leadership or government members' competence, self-assurance, or enthusiasm for reform, but also by the disheartening impact of reforms and the resulting public anger, not to mention the sheer arrogance and the loss of touch with reality regarding the feelings of the population or their own party grassroots. Typical failed solutions of the communication-related dilemma were bad and misguided campaigns, but in the most egregious cases, a refusal to communicate at all.

Center-right politicians offen failed to pro-actively articulate and communicate a message to the public on what they were doing and why, allowing their critics to set the tone of public debate. The reasons for this may have been disheartened attitudes when politicians realized the reforms they had introduced would not bring benefits before the next

elections. They feared that touching controversial and unpopular topics would not boost their popularity and would rather bring more harm than profit and would give ample ammunition to the opposition. Ruling politicians often developed a tendency to treat each criticism as malicious attack motivated by shadowy interests. When each contact became a malicious attack in their eyes, one often-reached conclusion was that all communication was useless. Or the reason could have been tinged with arrogance when a preponderance in power prevented parties feeling obliged to explain their actions to people – all the more in cases where they had something to hide, such as a case of corruption or a neglect of the public interest.

The Bulgarian, Romanian and Macedonian cases are especially illustrative of an intimate relationship between the communication and political conduct of those in power. There is always a much smaller chance that the press will praise a government's achievements, if the ruling parties are generally perceived as corrupt and self-serving. Also, for governments it is extremely difficult to defend their actions and justify their motivations when members of parliament and parties backing the cabinet and interacting with people on the grassroots level are seen as selfish and predatory political entrepreneurs. It is impossible to appeal to people's reason and patience in judging government performance, when those who appeal are seen as extracting profit from their elected office. The Bulgarian case provides an example of how news related to the misconduct of the ruling right wiped out completely other policy-related topics. The Lithuanian case describes various "popularity wars" between governments and the caucuses backing them in parliament that damaged the right's image.

A typical malaise affecting the pro-reform right (for example, in Poland and Lithuania) was that the state of their public relations (often in spite of abundant resources) embodied their inability to sell their achievements and to resist the fact that that negative aspects of their rule dominated the press. According to Lánczi's account, Fidesz in Hungary had acute problems with its image (whatever the reasons were) which were not tackled properly by the party. It failed to avoid the impression of being a radical force polarizing society and the fear related to these concerns mobilized many people to vote against Fidesz. In Poland and Lithuania, the ruling right was utterly unable to defend its reforms against negative coverage which dominated the press.

Frequently, the right had to face a historically and culturally determined dominance of the left in media – both public and private. Such a situation may trigger the temptation to control public media to counteract this "natural advantage" of the rival, as was the case in Hungary or Macedonia. On the contrary, in the Polish case Matraszek states the right's "failure to control the media, at least in the sense of ensuring fair and balanced reporting" became a major problem, as it missed the chance to influence the composition of the public media supervisory bodies, leaving them staffed by the nominees of their predecessors.

To conclude this section, it is necessary to note that there are always many reasons for problems of incumbents in communicating their actions to the public. In the post-Communist region, apart from inexperience with political public relations, there were two additional ones – contempt of power holders for the ideas of responsiveness and accountability and their rational effort to conceal their corrupt practices.

Elaboration of the contrasting case of the Slovak right offers an opportunity to use all the three groups of reasons for the right's reversals in one analysis. The experience in Slovakia unequivocally poses the question why the right, despite carrying out economic reforms and suffering from many of the same vices discussed in this study, was not ousted from power in the elections in 2002.

One reason which has been mentioned already was that Slovak economic reforms were not excessively radical, yet they worked. Another reason was the positive impact of the restoration of the feelings of many Slovaks regarding the country's international stature. Yet another reason pertains to the disunited nature of opposition, when Mečiar's HZDS lost any coalition potential, its potential ally SNS did not make it to parliament due to an internal split and the new, ambitious, populist challenger *Smer* turned out to suffer from unpredictable levels of support. Its actual election result was half of its pre-election poll results.

The right (KDH and SDKÚ) ran separately, but both of its components obtained solid results, which, in case of the SDKÚ, was quite a surprise to many. SDKÚ took advantage of the pending EU accession, appealing successfully as the most reliable guarantor of its successful completion. This appeal probably worked with a great part of potential centerright voters who were otherwise estranged by SDKÚ's performance in power, namely what they saw as unprincipled pragmatism and allegations of corruption. As with the SOP in 1998, the right pragmatically included a new actor again in 2002: the right-of-center, antiestablishment party ANO, which liked to present itself as pro-market liberal. In the end, the rightist character of the coalition was strengthened as its leftist components SDL' and SOP failed to enter parliament and SMK, the reliable partner of the pro-reform right, was included.

Today, the right faces its own disunity caused mainly by differing reactions to the pragmatism of Prime Minister Dzurinda and his SDKÚ, which in their effort to keep unpopular government in power have resorted to actions and alliances enraging their coalition partners, such as various deals with independent deputies in parliament or alleged tacit cooperation with Mečiar's HZDS.

Thus the real challenge for Slovak right will be the 2006 elections in which it certainly will not be a favorite. It will face several options as to how to defend its incumbency. One of them will be an attempt to reconfigure the political conflict in Slovakia into a form of "Smer versus the rest." This would assume a highly controversial alliance with and legitimization of the HZDS by its direct membership in the coalition or accepting its tacit support in parliament (perhaps in the form of an "opposition agreement") for the sake of getting the party on the anti-Smer side of the conflict. Both SDKÚ and HZDS are using this idea to exert gentle pressure on their partners, but it is still improbable that it will happen. Thus, the right's probable fate in the next election is to be at the mercy of a kingmaker which will be either HZDS or radical parties such as KSS and SNS.

What remains to be seen is whether the Slovak right will be able to use its renowned communication skills to avoid this scenario. It seems that resources for this are quite limited, even though there are some signals in polls that the population is starting to perceive and acknowledge that complex reforms done after 2002 are bearing fruit. But even though there is a chance of improving the economic performance record of the right, the political

conduct-related component of its image seems to be doomed to remain gravely damaged. It remains to be seen whether Slovakia may be heading towards another exceptionalism by electing a non-right government in 2006, when most of the countries in this analysis (with exception of Bulgaria and Lithuania) may well be ruled by newly elected, centerright governments.

Marek Matraszek in the beginning of the Polish chapter introduces his criteria for the modern center-right – preference for the free market, a limited, but strong state in defense and crime and a pro-Western and pro-US foreign policy. Based on these standards, he doubts whether any government so far in Poland has deserved this label. He suggests that the currently reinvented right of PiS and PO has a chance finally to do so and claims these parties have been so far successful in presenting themselves as a moral alternative to both left (SLD) and the failed right (AWS) by means of defying corruption and nepotism and applying clear ethical standards of political conduct to their membership. They also pay proper attention to ideology through its clear presentation to the public. This may prove to be the essence of their success with a Polish electorate traditionally suspect of the establishment.

Although Matraszek's conjecture still has to go through the test of government, these characteristics offer a realistic and decent ideal and a possible and achievable target for the ambitions of center-right political parties in Central and Eastern Europe. Perhaps the lessons gathered in this study will contribute to the ability of the newly elected Polish right and its center-right counterparts around the region to avoid mistakes made in the past and deliver stable, accountable, reform governments for the people that elect them.

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From 1996 to 1998, pro-reform, pro-western, center-right parties and coalitions won a series of elections around Central and Eastern Europe. In Bulgaria, Hungary, Lithuania, Macedonia, Poland, Romania, and Slovakia, center-right forces defeated post-communist parties. All promised to implement long-delayed economic and political reforms and accelerate the EU and NATO integration processes. By the next cycle of elections (from 2000 to 2002), six of the seven were out of power and in several cases (Romania, Poland, and Lithuania) the center-right parties themselves were essentially decimated. The International Republican Institute has compiled this collection of essays looking at the experiences of these governments and assessing where they succeeded and failed, to help the next wave of center-right parties in government avoid making the same mistakes again.