

Introduction: *Ex occidente lux?*

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Rawls or Nozick? Hayek or Friedman? Thatcher or Palme? Liberalization or democratization? Free market or social market economy? Finlandization or "Deutschlandization"?—such questions as these may be misleading in a refined scholarly analysis of liberal¹ thought. Nevertheless, they can provoke stimulating discussions at a conference about the prospects for liberalism in Eastern Europe held some months after the fall of the Wall.

In May 1990, the Vienna Institute for Human Sciences (Institut für die Wissenschaften vom Menschen) hosted a conference² on the "Rediscovery of Liberalism in Eastern Europe (Economic and Political Thought)" with a view to assess the starting position of liberal thinking under post-socialism. This meeting fit into the long-term research project on late reformist thought in Soviet-type societies ("Plan and/or Market. A Comparative Study of 'Reform Economics' ") which was launched by Márton Tardos and me in Vienna and Budapest in 1987.³

During the past three years, the "plan-and/or-market" question of the socialist reform process has been replaced in most countries of Eastern Europe by the "public-and/or-private" question of the post-socialist transformation process. Accordingly, our interest in classifying the theoretical concepts of simulated liberalization has weakened, and we have started to pay more attention to the ideas of "real" liberalization (that which establishes large-scale private ownership and the rule of law), observing how these ideas are being discovered and rediscovered by the intellectuals of the post-reform era.

1. Because of the well-known ambiguities of interpreting such terms as "liberal," "neoliberal," "libertarian," and "conservative," the authors were asked to specify in their papers in what sense they use these concepts. In the case of most authors the term "liberalism" denotes a strand of thought but sometimes it is also applied to describe certain policies or systems.
2. On behalf of the authors I wish to express my gratitude to Vojislav Kostunica, Boris L'vin, Vladimír Rudlovcák, and Józef Zieleniec for their valuable comments at the conference. Thanks are specially due to the Institut für die Wissenschaften vom Menschen, the George Soros Foundation, and the Fritz Thyssen Stiftung for funding the project.
3. Cf. János Mátyás Kovács and Márton Tardos, eds., *Reform and Transformation: Eastern European Economics on the Threshold of Change* (London, in press).

In order to get a balanced view of the prospects for liberal thought during the transition from socialism, we invited economists and political scientists, scholars and scholar-politicians, Easterners and Westerners to our May conference. Although the participants were apparently happy to witness the growing influence of liberal ideas during the first stages of the transition, they tried to avoid wishful thinking. So they focused on the dilemmas of the rediscovery of liberal thought rather than entertaining exaggerated hopes about the "final victory" of liberalism over collectivism.

The chances for a liberal breakthrough in Eastern Europe were examined in case studies of Czechoslovakia, Hungary, Poland, the Soviet Union, and Yugoslavia, those countries with a long tradition in reformist thinking under real socialism. Since in the case of liberalism the old saying "*ex oriente lux*" usually does not hold true, we asked our colleagues from Austria, France, Great Britain, and the United States to give a critical overview of those liberal concepts which the West can offer to the East in economics and political science.

We asked for this critical overview, assuming that the East European participants in the project are interested in the unsolved problems of Western liberalism rather than in any "ten rules of how to become a good liberal thinker." Instead of instructions they expect predictions about the alternative types of liberal concepts that may emerge in the wake of the self-destroying collectivist experiment. Meanwhile, some of them hope, in the back of their minds, that the new knowledge they are accumulating in the unprecedented process of dismantling the Soviet-type system will possibly end their "borrower" position (or even make them "net creditors") in the international market of liberal ideas in the future. Others, on the contrary, are simply frustrated by seeing the poor utilization of Western "credits."

I think that, for the time being, it is more realistic if this collection of the revised conference papers follows the old pattern of Eastern demand and Western supply. The authors of the first seven papers below examine the bumpy road of rediscovering liberal thought in their home countries that are leaving socialism behind. The other four papers were written by Western scholars and they discuss those difficulties which Eastern Europe may well face when trying to domesticate liberal doctrines during the transformation.

Vladimir Gligorov demonstrates how real socialism has produced its

own liberal-minded adversaries, and why these cannot yet create a coherent liberal vision in a country that has no past and whose *raison d'être* is based on the fiction of the Yugoslav nation. Václav Klaus and Tomáš Ježek make a unique attempt at combining Hayek and Friedman in order to break with "reformist constructivism" and outline a liberal program (what they term a proposal for "negative reform") for post-socialist economic transformation.

My paper focuses on the new Hungarian "transformer" who is—contrary to the expectations about a neoconservative breakthrough in East European economics—not quite different from his reformist predecessor when he leaves the concept of "socialist market economy" for that of "social market economy." In comparing the economic strategies of the former opposition parties in Hungary, Mihály Laki points out the statist-interventionist components even in the programs of the liberal parties, though he immediately adds that in the first free elections the voters have chosen between Right and Left rather than between more or less liberal visions of the future. In his essay on the history of political ideas in Hungary, Gáspár Miklós Tamás says good-bye to the leftist past as a whole, and goes back to nineteenth-century Hungarian conservatives to rediscover liberalism. By taking a resolutely libertarian position, he regards "populism" and "urban" radicalism, communism and social-liberalism, anarchism and etatism as points in the "Left continuum."

Oleg Rumiantsev's paper calls for a "civil peace" in the Soviet Union in order to avoid a new civil war. In his view, political confrontation should be replaced by a social contract between the civil society and those in power during a balanced constitutional process leading to the rule of law. Jadwiga Staniszka provides a detailed description of the "political capitalism" episode in Poland, comparing the advantages and drawbacks of the last—"liberal"—effort of the nomenklatura to convert its former political privileges into economic power.

In the first part of her paper Irena Grosfeld explains why privatization has become a necessary precondition of marketization in Soviet-type economies even if the concepts of private property and the market are not always compatible with each other in liberal economic thought. The second part of her contribution is devoted to a comprehensive typology of the recent privatization proposals in Poland. Ellen Comisso challenges the widely accepted view in Eastern Europe that "democratization" and "liberalization" are synonyms. She also argues that what

should be abolished during the post-socialist rearrangement of the property rights is not state ownership as such but its "communal" character. George Schöpflin enumerates the reasons why it is so difficult to break with the legacy of Communist "hyper-etatism." Egalitarian ideologies, the power of industrial lobbies, welfare commitments, the need for the development of infrastructure, ethnic conflicts, the temptation of corporatism, etc.—all these may prompt the traditionally dependent societies in Eastern Europe to accept (or even demand) the intervention of the illiberal state. Erich Streissler calls upon Adam Smith for help to warn the would-be liberals in Eastern Europe about the dangers of a new (non-Communist) interventionism, and he does not expect the upswing either of "Austrian information-liberalism" or "property-rights liberalism" in post-socialist economics.

Eastern Europe is learning liberalism and the student asks a great many new questions. Maybe the answers are not sufficiently original and sophisticated yet, but at least they are no longer boring.