



The Battle for Central Europe

Freedom is in danger, from Prague to Budapest.

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On his recent trip to Hungary, Vladimir Putin stirred controversy by visiting the monument erected to the memory of the Soviet soldiers who violently crushed the Hungarian ‘counterrevolution’ of 1956. While his Hungarian hosts remained silent, the symbolic dimension of this act of territorial marking sent chills through the region, especially among those who remember the era before 1989.

The event is also a reminder that, while the eyes of the world are set on Ukraine, another conflict is brewing in the smaller countries of Central and Eastern Europe. Russia’s war with Ukraine will come to an eventual end, most likely with an outcome that will not be favorable for the future of Ukraine as a free, democratic, and prosperous society.

Unlike war in Ukraine, the battle for Central and Eastern Europe is not necessarily about military might — although that may well be a part of the equation, as people in the Baltic countries are acutely aware. More importantly, this battle is being fought over the future character of the societies that have been seen, for some time now, as post-communist success stories.

It is, as Mr. Putin’s behavior in Budapest illustrated, an issue of ‘soft power’. Many in Central Europe look at Russia as a bulwark against what they perceive as Western moral decadence — multiculturalism, gay rights, and secularization. In the campaign prior to the recent referendum that aimed to preemptively ban same-sex marriage in Slovakia, the country’s former prime minister, Jan Carnogursky -- a former Catholic dissident and a member of the Valdai Club -- noted that “in Russia, one would not even have to campaign for this — over there, the protection of traditional Christian values is an integral part of government policy.”

It is not just about culture. Unlike in the 1990s, the European Union and the West are no longer seen by denizens of Central Europe as epitomes of economic success. The EU’s long-standing structural problems, overregulation, and inept monetary policy are raising doubts about the desirability of democratic capitalism at large, and are fuelling populist nationalism.

Hungary's Prime Minister Viktor Orban captured this sentiment last year when he said, "liberal democratic states can't remain globally competitive," and affirmed his ambition to build "an illiberal new state based on national foundations" in Hungary, listing Russia, Turkey, and China as models to emulate.

For most countries of the region, the transition from communism brought about unprecedented economic prosperity and social progress. Today, average incomes in the capitals of post-communist countries, such as Prague, Warsaw, and Bratislava, not only exceed the EU average but are also higher than per capita incomes in Berlin or Vienna. But this progress has not been matched by a growth in the quality of political institutions, rule of law, and governance.

For instance, the successive governments in the region have done little to tackle endemic corruption, particularly in public procurement. Slovakia ranked 57th on the 2004 edition of Transparency International's Corruption Perception Index. By 2013, it slipped to 61st place. Similar downsliding can be seen in the Czech Republic, which, in turn, fell from 51st to 57th place, as well as in Hungary. Poland seems to be one significant exception to the rule, both in terms of measured corruption levels and in terms of the seriousness with which corruption charges are treated by its criminal justice system.

The biggest risks of corruption are not economic -- in fact, most existing academic studies suggest only mild negative effects on economic performance -- but rather in the erosion of trust in existing political institutions and the contempt for the rule of law, which it breeds. The resulting atmosphere of distrust is further exacerbated by the Kremlin's propagandistic efforts.

In the recent years, a spectrum of 'news' websites and magazines have mushroomed across the region, with unclear financial backing. Sleek and professionally designed, they try to appear as legitimate news sources, yet have much of their content reproduced from Russian propagandist channels. Under-resourced and busy, local journalists and civil society activists have not been able to mount a vigorous counteroffensive against the flurry of misinformation and conspiracy theories spread by these outlets.

A quarter-century since the region's liberation from the shackles of Soviet dominance and communist ideology, freedom in Central Europe is again in danger. Although more opaque, the current threat is reminiscent of its previous iterations, both geopolitically and in terms of its substance. Once again, bad ideas, fostered by vicious propaganda, have the upper hand in the heart of Europe.

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