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15

Eastern Europe in the history of European integration: From the periphery to the centre?

Ferenc Laczó and Vera Scepanovic

Introduction

Mainstream histories of European integration tend to accord Eastern Europe a marginal position. When today's Eastern members of the European project do make an appearance, it is usually in the context of enlargement, as test cases for narratives about the European Union's (EU) transformative power. This externalizing perspective on the 'other Europe' is perhaps unsurprising, since the predecessors of today's EU originated exclusively within Western Europe and did so in the context of the Cold War fought against the Eastern bloc countries. Yet this very fact also points to a much more constitutive, if asymmetric, role the eastern part of the continent has played in the history of European integration: as a mirror, a rival, a pupil, a new frontier, a partner, an experiment ground, a reservoir of growth or an internal 'other'.

This chapter argues that putting the East–West entanglements at the centre provides an exciting new perspective on the history of European integration. A more inclusive historical approach is certainly long overdue in a Union in which eleven and a quarter (counting the territory of the former East Germany) of twenty-seven member states can be understood as 'post-Eastern'. More importantly, it also promises to open new avenues for thinking about the choices and blind spots of the European integration project, as well as its ongoing contestations.

The chapter explores Eastern Europe's changing role in the post-war history of European integration and the political, economic and cultural dimensions of Eastern and Western Europe's asymmetric relationship over three periods. It focuses on those countries that used to be part of the socialist block and have since become members of the EU, even though 'Eastern Europe' – much like 'Europe' or 'the West' – is a contested designation that changed meaning and membership over the course of the long twentieth century. The first section covers the Cold War decades which were characterized by separation, rejection and mirroring between Eastern and Western Europe in the early years, followed by deepening entanglements during the decades of detente. The next section then looks at Eastern Europe's complex post-Communist transformation and the almost entirely consensual Europeanization of former Soviet satellite states in Europe. It highlights the special historical moment after 1989 when the two sides trusted the benefits of European unification across the former Iron Curtain – although for very different reasons – and explores how the mismatch of expectations planted seeds of later mutual disappointments (Laczó and Lisjak Gabrijelčič 2020a). The final section turns to the years since the EU's big bang enlargement in 2004 with a focus on the EU's new challenges that are directly connected to the East–West dynamics.

The objective of this chapter is to offer a corrective to the usual treatment of Eastern Europe in European integration history, which starts with the enlargement process in the 1990s and is preoccupied mainly with the successes or failures of their supposed 'Europeanization'. Instead, we argue that the coevolution and rapprochement of the 'two halves of the continent' started prior to 1989, but also that the processes of 'Europeanization' or 'Westernization', which seemed so consensual in the 1990s, were in fact the product of a historically highly specific moment after the Cold War. Seen through a longer historical lens, Eastern Europe's Occidentalism is revealed to be less of a uniform yearning for a 'return to Europe' but rather a deeply held tension between hopes and resentments towards Western models of modernity. It is this tension that continues to shape not only the political and economic processes in these countries but also the struggles over the present and the future of the EU.

1. From mutual rejection to deepening entanglements before 1989

The post-1989 narrative of a 'return to Europe' paints the picture of East European nations as having been hijacked by 'Soviet totalitarianism' from their 'true European path'. It is certainly true that the political concept of Eastern Europe we employ today is still largely shaped by the legacy of the Iron Curtain, and that immediate post-war attempts to revolutionize economies and societies in this region were imposed by violent Stalinist-style dictatorships. Yet it is also undeniable that the ideology of state socialism drew on a host of home-grown ideas about the region as a semi-periphery whose political and economic development required separation from the dominant 'West'. In a region consisting of diverse parts of the former German, Habsburg, Ottoman and Russian Empires, the notions of dependency as an obstacle to development and the 'double exploitation' of peasantry by the cities and of the cities by a transnational capitalist elite resonated with both sides of the political spectrum during the tumultuous post-war period.

As an economic project, state socialism was heavily based, especially in its post-war Stalinist guise, on centrally planned, import-substituting industrialization as the path to development. Separation from the more industrially advanced economies to the West did not, however, mean autarchy: from early on, East European countries engaged in their own project of regional integration. The Council for Mutual Economic Assistance (COMECON), led by the Soviet Union, was launched in 1949 with the aim of facilitating exchange of goods and technology, as well as coordinating investment plans across the Soviet realm.

Though it partly mirrored integration initiatives in the Western part of the continent, COMECON's ideology and methods were different. Originally founded by six members – the Soviet Union, Bulgaria, Czechoslovakia, Poland, Hungary and Romania – its membership soon expanded even beyond Europe, with the accession of Mongolia, Cuba and Vietnam in the 1960s and 1970s. Unlike the European Coal and Steel Community (ECSC), founded in 1951, or the European Economic Community (EEC), founded in 1957, COMECON possessed no supranational authority that would have overseen the implementation of investment decisions agreed by the Council. Crucially, it was a forum for cooperation among sovereign states that gave few individual rights to their citizens or companies. Individual travel between participating countries was limited, although study trips were encouraged. Member countries were not expected to liberalize their trade or maintain freely convertible currencies to facilitate trade flows; rather, exchanges were arranged through centrally negotiated clearing accounts. Technology sharing, on the other hand, was practiced in a remarkably 'liberal' manner. At an early meeting in 1949 COMECON members rejected the Western systems of patents and licenses and were thereafter able, at least in theory, to access one another's technology for the mere price of copying technical documentation.

If the Eastern bloc's methods explicitly rejected those of the 'imperialist West', its vision of modernity remained inspired by a certain image of Western development. In Eastern Europe, this included not only advanced levels of industrialization and social welfare but also the Western model of an ethnically and linguistically homogeneous nation state. Up until the Second World War the Eastern part of the continent was in fact the ethnically much more diverse one – even states with relatively large titular majorities such as Poland or Romania still had about 30 per cent minority populations in the interwar years. Nazi genocidal violence, ethnic cleansing and even early post-war international support for expulsions and 'population exchanges' all contributed to a radical reduction of diversity after the Second World War – paradoxically just as Western Europe was itself starting to become more ethnically and linguistically diverse (Gatrell 2019).

By the 1970s, several new developments were again pushing Eastern Europe's ambivalent Occidentalism from rejection to attraction. Politically, the de-Stalinization process launched in the mid-1950s opened some space for experimentation in both economic and foreign policy. West Germany's new *Ostpolitik* from the 1960s onwards and the start of negotiations within the Conference for Security and Cooperation in Europe that culminated in the Helsinki Accords in 1975 reduced security and territorial concerns. They allowed for growing detente and deeper entanglements between the competing Cold War parties (Romano 2009; Cotey Morgan 2018). To be clear, there were limits to how far the satellite states could stray, as was brutally demonstrated by military 'solutions' to the East German uprising in 1953, the Hungarian revolution in 1956, the reform attempt in Czechoslovakia in 1968 and the mass mobilization in Poland in 1980–1 (Judt 2005). Yet these tragic events too fed the attraction of the West, not only among the dissidents but also among the younger members of the Communist elites. Frustrated by a system that lacked a properly institutionalized mechanisms of internal power transfer, and concerned that the West European economic train was pulling ahead while their countries remained shackled to yet another stagnant empire with its increasingly anachronistic model of modernity, many of these 'reform Communists' attempted to revive economic connections with the West (Romano and Romero 2020).

Soviet-type central planning had proven capable of extensive growth in earlier years, rapidly closing the industrialization gap with the more advanced economies and becoming competitive in a range of heavy industries, production of military equipment and, famously, space exploration. It was much less apt at developing successful light industries and satisfying growing consumer demand of the new urban classes whose numbers had soared as a result of successful industrialization. For the countries on the Western edge of the Eastern bloc, which had few natural resources of their own, even the relative advantages of the COMECON trading system, such as preferential access to the energy and mineral resources of the Soviet Union, began to be viewed as counterproductive, as they further reinforced reliance on traditional heavy industry. At the same time, investments in new industries – above all electronics and consumer goods – required access to capital and technology that could only be found in the West and would necessitate repayment in currencies earned on Western markets.

The response was a growing network of contacts that emerged between state-owned enterprises and state officials in the East and their counterparts in Western Europe. In 1980, Romania became the first Socialist country to sign a preferential trade agreement with the EEC. The fact that the same country could be a maverick when it came to changing Cold War alignments as well as a country with an increasingly despotic 'national Stalinist' regime (Tismaneanu 1999) is a useful reminder of the ambivalence with which the East European Communist elites viewed their countries' place in between the two poles. The impact in trade terms was minimal, but Romania's move broke an important taboo on bilateral relations between COMECON members and the EEC, and agreements with Hungary, Poland and even the Soviet Union followed in 1988 and 1989.

The attraction was also cultural. Softening travel restrictions, partly prompted by the desire to increase earnings from tourism, brought more contact between ordinary citizens living on the opposite sides of the Iron Curtain. Western music, lifestyle and consumer habits formed an aspirational horizon for young generations in the East just as their countries' ties to the developing world began to weaken (Mark et al. 2019). It certainly helped that citizens of Eastern European countries, were welcome in the West in this period. Unlike post-colonial and other, often more economically motivated, migrants from outside Europe who frequently encountered cultural bias and racist prejudice in Western Europe, the emigrees from the Soviet realm tended to be embraced and even celebrated, both as martyrs of a 'struggle for freedom' and as actors from across the Iron Curtain who could offer precious evidence of the West's own superiority. For those eager to escape socialist oppression and persecution, their very freedom-loving 'Europeanness' – contrasted with the 'Eastern despotism' they had to endure – became a claim on the goodwill of the West.

The partial softening on the political, cultural and economic fronts of the Cold War created different patterns of connections in different countries. As economic connections deepened, so the foreign debt towards Western creditors began to rise across the region, and the new entanglements took on a sinister tinge of past dependence. Some of the pioneers of economic opening got cold feet: partly inspired by the perception of economic threat and partly by revolutionary elan that had already faded in other parts of the Eastern Block, the Ceaușescu regime in Romania turned into a notoriously hard-line dictatorship. In the interest of gaining 'true independence', the megalomaniac dictator attempted to pay off all his country's external debt, which was accomplished through draconian austerity measures that plunged Romanian society into deep economic misery. Others, like Hungary, long known as a staunch Soviet ally in foreign policy terms (after all, János Kádár, the country's leader for decades, was catapulted into power by Soviet tanks in 1956), gradually abandoned ideological commitment to the Soviet model in favour of an ever more pragmatic and flexible economic policy. In sharp contrast to Romania with which its relations gravely deteriorated in the 1980s, the Hungarian regime in fact encouraged consumerism in order to prop up its legitimacy – at the price of spiralling foreign debt, a problem it shared with other Eastern bloc states, such as Poland and East Germany.

The largely peaceful collapse of the socialist regimes took most observers by surprise, not least because the Western view of the Soviet regimes as 'totalitarian' made it difficult to notice, or even imagine, that these countries could undergo internal change. In reality, by the time the Berlin Wall fell in the autumn of 1989, the Soviet side under Mikhail Gorbachev had already stopped fighting the Cold War, and Hungary had already removed its fortified border fence towards neutral Austria (Spohr 2019; Taubman 2017). The key foundations for the East European revolutions (or, in Timothy Garton Ash's apt phrase, *refolutions* – reform packages with revolutionary consequences) have been laid over many years through gradual efforts that perforated the Iron Curtain (Garton Ash 1990; Villaume and Westad 2010).

Yet one sees only fragments through the holes in a curtain. East Europeans' disaffection with Soviet Communism may have been rooted in a repressive political and cultural environment and a malfunctioning economy, but their expectations of how far they could go once liberated from the straitjacket of the socialist model were made unrealistically high by the vertiginous post-war economic successes of the countries bordering the Iron Curtain – such as West Germany, Austria or Finland. Members of East European societies may have resented political impositions and economic mismanagement of the one-party states, but they also cherished their stability and their commitment to social welfare. By 1989, they were eager to 'return to Europe'; but the European future they had in mind was drawn from an overly airbrushed and rapidly aging picture of economically prosperous, social democratic and culturally familiar continent.

If the previous decades had mellowed the one-time fierce competitor into a reluctant partner, 1989 had turned it into an eager pupil hoping to join the distinguished club of its former enemies as a full member. First, however, it was going to have to learn some lessons.

2. Europe as the future of Eastern Europe, 1989–2004

The end of the Cold War, the independence and the liberal democratic turn of most of Eastern Europe in 1989–91, the unification of the two Germanies in 1990, the foundation of the EU in 1992 and the 1993 plan to eventually enlarge the Union eastward were all part of the same historical moment and intimately connected to one other. The Cold War had divided Europe in more ways than one. Nearly all of the 'neutral' European states had remained not only outside of the North Atlantic Treaty Organization (NATO) but also outside the EEC, forming an 'outer club' of members of the European Free Trade Association (EFTA) (Chapter 2), and many alternative organizations flourished on the European continent (Patel 2020). In a suddenly unipolar world, however, the European integration project looked poised to become the only game in town. This was also an opportunity to reimagine its scope and borders, the internal social contract on which the Union was based, as well as its relationship with the rest of the world.

The early post–Cold War moment did indeed bring several momentous changes. The intention to safely embed an enlarged Federal Republic of Germany into European structures had a key impact on the negotiations at Maastricht, including the decision to introduce the euro. The early 1990s also saw more emphasis on the European Social Model, a project to give a European dimension to its members' welfare states and constitutionalize – through the European Social Charter – the principles of social cohesion that were likely to come under pressure with the future accession of so many less-developed countries (Chapters and 12). Under the leadership of Commission President Jacques Delors, himself a staunch supporter of European social policies, the European Commission moved quickly to offer support packages to East European countries as early as 1989.

At the 1993 Copenhagen summit, the EU for the first time specified the conditions for becoming a member, and with that spelled out its own foundational principles. European institutions, and especially the European Commission, became an important contact point for East European countries (Figure 15.1). In a myriad of smaller and more mundane ways, this process continued throughout the subsequent enlargement process. As the EU confronted the challenge of making post-socialist economies and administrative structures compatible with its own policies, it was forced to make explicit its political and legal values, economic principles and administrative traditions and even rethink its own institutional frameworks. The enlargement process itself, often branded the EU's most successful foreign policy, thus redefined the character of the EU and raised hopes and beliefs that it could transform external actors through the attraction of its fundamental values and its large single market (Bradford 2020; Chapters 8 and 14).

In hindsight, this momentous historical change was nonetheless accompanied by poverty of political imagination. The decisions resulting in the Treaty of Maastricht may have been precipitated by the events around 1989–90, but for the most part they were shaped by processes that had been under way for years and even decades. The momentum to reimagine European social policy quickly petered out, partly out of fear of having to contend with major gaps in social standards between 'old' and 'new' Europe. In fact, much support for enlargement came precisely from those actors who opposed further expansion of EU's powers such as the United Kingdom: 'widening' the project could also be a way not to 'deepen' it. Even the institutional reforms made in anticipation of the accession of the Eastern states, such as those of the voting rules in the Council of Ministers, were made defensively to ensure that the increased heterogeneity of preferences did not upset established compromises.

FIGURE 15.1 *Visit of the Polish leader Lech Wałęsa to the EEC. From left to right: Lech Wałęsa, the interpreter of the Polish delegation and Jacques Delors, 3 April 1991. Photographer: Christian Lambiotte. Courtesy of European Communities, 1991.*

It is perhaps unsurprising that the West showed so little appetite for systemic reflection – after all, its political and economic system had just won the Cold War. For the post-Communist countries, however, 'the end of history' (a term coined by the American scholar Francis Fukuyama to describe the end of the Cold War and the 'victory' of the West) meant only the beginning of a complex transformation away from a single-party system, a regimented society and a centrally planned and nominally collectively owned economy. That all this was supposed to take place in the context of democracy was both an opportunity and a risk: indeed, many authors considered such a 'dual transition' to be nearly impossible and almost certain to break down under the pressure of political instability (Przeworski 1991). The bloody dissolution of former Yugoslavia offered a most vivid illustration of the ways in which the transition could go wrong and painfully highlighted the complete lack of mechanisms in the European Community to deal with such events on its doorstep.

In these circumstances, the prospect of EU membership for other countries on the EU's eastern borders became the key instrument in securing stability and avoiding major reversals. The promise of integration into the EU came to be seen as an international shelter for those fearing the lingering influence of Russia, an anchor for domestic politics that strengthened the influence of centrist parties and a blueprint for reforms. It also helped to dampen public discontent and sustain the reform momentum even as the shock of the systemic collapse plunged these countries into the deepest peacetime recessions in modern European history.

Nevertheless, replacing domestic politics with external conditionality also meant that the complexity of the transformation was replaced by a teleological notion of 'transition' towards some ideal-typical Western liberal model, and that many central questions of national political life were answered before more substantial debates could have taken place. This had several important consequences for the region's politics. First, introducing liberal democracy to Eastern Europe with external models and Western standards of measurement in mind was always likely to remain a top-down process, even in countries where democratization was a result of mass mobilization, as in East Germany or Czechoslovakia. This, together with the emphasis on stability and continuity of reforms, gave the citizens very little sense of control over politics and provided fertile ground for the later populist narrative of 'unfinished' or 'stolen' revolutions (Mark 2011).

Second, transposing new political and institutional frameworks went much faster and proved much easier to do than creating a Western-style society where substantial numbers of people were economically secure and truly independent of the state (Dahrendorf 1990). This made the new institutions – from judiciary to parliaments – less effective and more pliable to informal political influence, which in turn undermined popular trust in them. These factors combined to make the countries vulnerable to grave trends of de-democratization even in nominally consolidated democracies.

The mismatch between the 'imitation imperative' (Krastev and Holmes 2018) and the realities of the transformation was possibly even broader in the economic sphere. Converting into functional capitalist economies systems which for decades had functioned without private property and with administratively set prices was a challenge comparable in scale to the original agenda of Sovietization. Yet the triumphant liberal economic narrative made the task seem straightforward: markets worked best when they were left free of state intervention, so all the East European countries had to do was to ensure the state retreated from the economy, reversing nationalizations, price controls and central planning. In practice, as a contemporary joke went, the attempt rather resembled trying to turn fish soup back into an aquarium (Ther 2016).

Different decisions taken early on over the method of privatization and the lengths to which the state was willing to go to protect the citizens and industries crystallized over time into different models of capitalism in the East. The spectrum ranged from the radical neoliberal economies in the Baltic States, Estonia, Latvia and Lithuania, to the more 'embedded neoliberalism' in East Central Europe (Bohle and Greskovits 2012). More neo-patrimonial forms of capitalism emerged in countries where aspiring local capitalists managed to align with political power, as in much of Southeast Europe and the former Soviet Union. In countries closest to the EU where the pull of membership remained strong these patterns could at times be reversed. This was most visible in the case of Slovakia, and to a lesser extent in Romania, where the threat of being left out of the EU galvanized the opposition into overthrowing semi-authoritarian post-Socialist governments and launching a second, at the time uniquely radical, wave of neoliberal reforms in the early 2000s.

Despite the differences, the East European capitalist varieties also share a number of commonalities. All of them broadly fall within a more neoliberal capitalist variant, with lower levels of labour market protection, less generous welfare states and weaker social partners than in most of the 'old' EU member states. They are also heavily dependent on foreign capital, which dominates not only the export-oriented manufacturing sectors but also private services such as banking and retail. Foreign investment emerged early on as the most straightforward solution to building capitalism in the former lands of workers. It was often less contentious than building a domestic capitalist class, it facilitated the arrival of new technologies and opened up access to West European export markets and, at least early on, it was also seen as a way to geopolitically anchor the region to the West and keep Russian economic and political interests at bay. It was also heartily supported by the EU, which readily invested in building up investment promotion agencies in these countries, and facilitated attraction of foreign firms through exemptions from its otherwise rigorous competition policy (Drahokoupil 2009).

This reliance on foreign investment shaped the institutional environment of East European economies well beyond the narrow purview of industrial policy. Attempts to attract investors resulted in competitions for the lowest corporate tax rate or the most 'competitive' labour law as well as in policies to ensure currency stability, which imposed additional constraints on public spending. Private actors, including investors themselves but also policy advisors and transnational communities of technocrats, such as central bankers, also joined in to promote policy ideas that were at the cutting edge of liberal economic thinking but would have been unimplementable in the 'core' states, such as flat taxes, privatization of pensions and extreme forms of monetarism (Appel and Orenstein 2018; Johnson 2016). If they were not all directly exportable to the Western core, some of these experiments nevertheless served to shore up the argument of the neoliberals there too, and certainly to increase the pressure on organized labour in industries that came to directly compete with newly established 'Eastern' affiliates (Ther 2016).

As they emerged out of socialism and into their European future, the East European states grappled with a number of deep ambiguities. They were jealous of their newly regained sovereignty, yet eager to surrender it in order to join the EU. They were economically unusually open but often nationalistic in terms of their political and cultural outlooks. They eagerly accepted foreign advice and capital in order to become like 'the West' but instead became neoliberal experiment fields. They were praised internationally as the miracles of economic transformation: between 2000 and 2008, GDP in what were to become new EU member states grew on average 4–6 per cent per year, comparable to the golden age of the East Asian 'tigers'. These soaring rates of growth drew a sharp line between the new EU members and countries further east whose economies continued to decline or stagnate. Whereas in 1989 Poland and Ukraine had comparable per capita GDP, by 2010 Poland's was nearly 2.5 times greater. Within the EU, however, this was only enough to regain the status of semi-periphery: in the same period, Polish average wages only caught up to about 30 per cent of those in the 'old' EU members. Even the wealthiest East European members – the Czech Republic and Slovenia – are only about as well-off as the poorest Western ones, Portugal and Greece. Inequality also rose vertiginously: within the three decades since the collapse of socialism, these societies became some of the most unequal in Europe.

Despite these contradictions, and despite the hardships of transition, the 1990s were also a period of mutual trust between Eastern and Western Europe and of confidence in a common European future. This mutual trust was also, in part, based on mutual ignorance and wishful thinking. The West Europeans embraced the Eastern enlargement hoping that little would change; the eleven East European 'accession states' put all of their hopes in an epochal transformation that would allow them to escape the semi-periphery. In the end, enlargement changed much more than the former expected but less than the latter desired, laying the path to a series of mutual disappointments.

3. A less-balanced union and a new East–West divide since 2004

The 'big bang enlargement' of 1 May 2004 brought the first eight East European countries into the EU (if we disregard the special case of the German Democratic Republic): Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. They were followed by Bulgaria and Romania in 2007 and Croatia in 2013 (Figure 15.2). While nearly every second member state of the EU could thus be called East European, in demographic terms the 'newer' account for only about one-fifth of the Union's population. With continuing socioeconomic disparities between the Western and the Eastern 'halves' of the continent, their economic share is even lower.

In the EU's largely confederal system, this means that since 2004 an economically underdeveloped semi-periphery consisting of numerous smallish nation states came to play a disproportionately large political role.

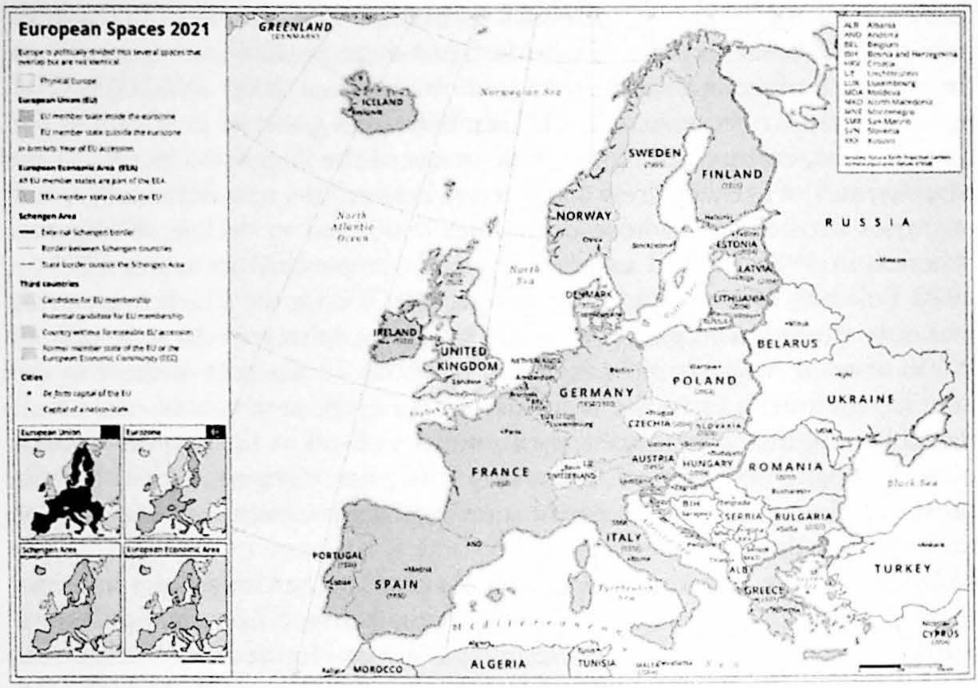

FIGURE 15.2 *Map of the European Union, indicating in which year countries joined the EU. Courtesy of Domser, CC BY-SA 4.0 https://creativecommons.org/licenses/by-sa/4.0, via Wikimedia Commons.*

Taken together, these countries were suddenly responsible, among others, for nearly half of the votes in the European Council and every second European commissioner. The relative underdevelopment of East European member states also meant that a substantial share of EU structural funds started to flow in their direction just as their citizens began to emigrate in droves. By the end of the 2010s, millions of East Europeans moved West for work, with emigration rates reaching over 10 per cent of the working-age population in Latvia, Lithuania, Bulgaria and Croatia and 20 per cent in Romania (Eurostat 2018). Beyond the level of political representation, the entry of eleven East European states has thus come to reshape the composition of the European budget and the functioning of the large and borderless internal market.

The expansion of political representation at the EU level was not, however, accompanied by similarly proportional representation of the citizens of the 'newer' member states in the EU's technocratic, administrative and business elites. In other words, East Europeans have come to command disproportionate influence in the Union via the intergovernmental channels while having an almost negligible presence in its transnational networks of power and influence. This situation, rooted in multiple and persisting discrepancies between East and West, has bred an intergovernmentalist bias even among the European-minded members of East European elites. In the succession of crises that buffeted the

Union since 2008, this bias occasionally flared up in ways that appeared as direct challenges to the EU's constitutional order. In the context of East–West dynamics, three such crises stand out: the financial and economic crisis starting in 2008–9, the so-called migrant and refugee crisis that – temporarily – peaked in 2015 and the worsening crisis related to democracy and the rule of law within member states (see also Chapters 4 and 18).

The financial and economic crisis had a major impact on East–West relations for three main reasons. First, while East European countries chalked up impressive growth rates and the late 1990s and early 2000s brought them somewhat closer to the EU average, the protracted crisis halted this convergence. Foreign investment flows wobbled and even reversed: since 2008, foreign companies have been taking out of the region in profits at least as much as they bring in investment (Scepanovic and Bohle 2018).

Second, the crisis laid bare the fact that membership of the EU was in itself no guarantee of convergence: in fact, during the very period in which East European countries joined the EU – and partly as a by-product of their integration – some of the Southern members have been falling behind the North and benefiting unevenly from the Union (Chapter 10). The crisis arguably affected the Eastern members – most of which were not in the eurozone at the time it stuck and had relatively little public debt – much less than the Southern ones. It nevertheless laid bare the fact that the benefits of integration could also turn into liabilities as their export markets wobbled, the foreign-owned banks ceased local lending and the currency speculators set their sights on countries such as Slovakia, Estonia, and Latvia, and Lithuania, whose promise to eventually join the European Monetary Union now meant they had to refrain from using monetary policy to ease the recession. Smaller countries decided they could not afford currency instability and rushed to adopt the euro amidst the crisis, often at the cost of radical austerity. Figure 15.3 shows an example of Estonia's campaign for introducing Euro, conducted amidst radical austerity to preserve currency stability during the crisis. Larger ones, such as Poland, the Czech Republic and Hungary, have postponed their plans to join the eurozone indefinitely, for the first time intentionally keeping out of a European integration project.

Third, either way, the crisis did much to dispel the naive trust that the West had all the answers and that integration would inevitably increase prosperity. Some East European political actors began to question whether imitating the West and playing by liberal democratic rules was truly their best course of action. In a broader context of the rising influence of other global players – China and Russia, above all – this once again made the idea of hedging and cultivating alternative alliances more appealing.

The so-called migration crisis that peaked in 2015 when over a million people fled across the Mediterranean in an attempt to reach the EU precipitated another rift between East and West. While the EU and its 'core' member states struggled to tread a fine line between demonstrations of humanitarianism and international solidarity, on the one hand, and the insistence on the rules

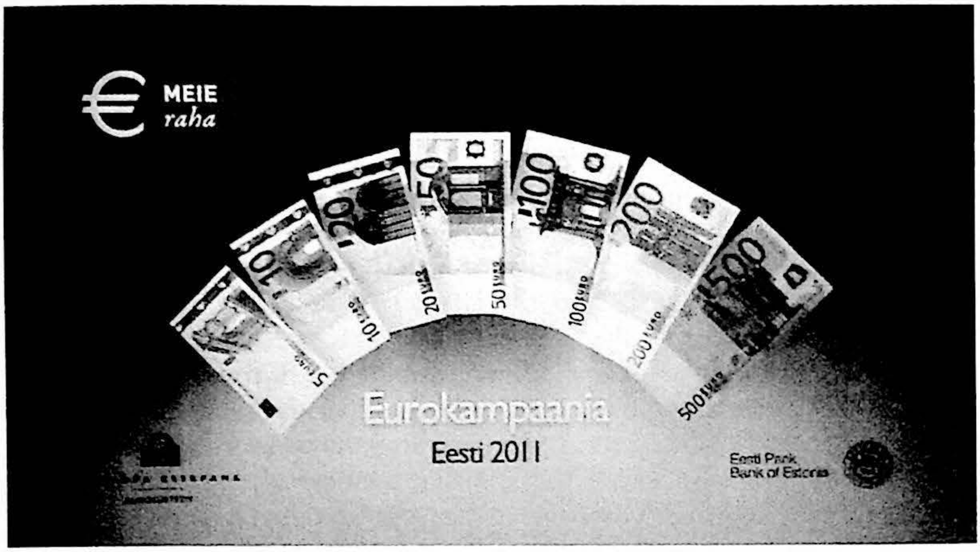

FIGURE 15.3 *Euro Information Campaign Estonia 2010. On 1 January 2011, the euro became legal tender in Estonia. Photographer: Karli Saul. Courtesy of European Union, 2010.*

and procedures, on the other, the East European states – Hungary most vocally – flat out refused calls for solidarity amidst an emergency and even questioned the very right to asylum. To be sure, this was less a conflict of underlying values and policy preferences than of political culture: while the East Europeans openly challenged refugee relocation quotas, others merely quietly disregarded them. Still, even if they played the role of 'useful idiots' whose intransigence could be used to justify a policy that emphasized control and securitization over humanitarianism and solidarity, they drew the ire of the West European political elites for breaking long-standing taboos of mainstream European politics by letting the genie of white, Christian nationalism out of the bottle from the highest level of government.

The crisis of the rule of law and democracy within the Union – acute in the case of Hungary throughout the 2010s and in Poland since the second half of the decade and increasingly also in Bulgaria and Slovenia – has shown just how little European institutions could and would do to protect, let alone promote, liberal democracy in member states (Kelemen 2020). The paucity of existing instruments and of political will to defend liberal democracies came as a negative surprise, especially for those East Europeans who had come to trust the EU's transformative power during the accession process and were now experiencing de-democratization first hand. As the most notorious backsliders – Poland and Hungary – continued to receive major funding from the EU, and Hungary's ruling party Fidesz, probably the most vocal challenger of liberal democratic standards, remained an influential member of the European People's Party throughout the 2010s, many wondered whether the EU was in fact enabling, rather than constraining, illiberal regimes in its midst.

It is remarkable that precisely those two East European countries that have been the first and most eager to Westernize around 1989 ended up electing and re-electing governments propagating authoritarian forms of nationalism and exclusionary visions of Europe two to three decades later. What makes this all the more remarkable is that Poland has been the single most successful national economy in Europe during recent decades and the only one in Europe to escape recession during the global financial crisis. The already fragile Hungarian economy, on the other hand, was severely hit in 2008–9, which was the main reason Viktor Orbán managed to capture an electoral supermajority in 2010. This contrast between the two countries makes it difficult to argue for any facile connection between economic performance and politically motivated revolt against the European mainstream. Yet it would also be wrong to ascribe the success of their illiberal projects to some deep-set flaw in the East European political culture without taking note of how the unbalanced patterns of Europeanization created spaces for resentment and opportunities for resource capture by authoritarian-minded elites.

Much like the process of enlargement, successive crises and the recurring conflicts between Eastern and Western European states are once again forcing the EU to clarify its character and values. The old neoliberal model is losing traction, including in the West itself, while the contours of the one to replace it are being fiercely contested. The debates surrounding the current Polish and the Hungarian regimes have also brought to the fore an older and deeper polarization between two self-understandings of the West – the West as a normative, liberal-progressive project, on the one hand, and the West as a nostalgic, culturalist-racial one, on the other. East European populists, emboldened by their membership of the EU, appear ready to reject the former, but they do so at their own peril since – as debates in the UK around Brexit have amply demonstrated – the latter is still ready to reject them.

Conclusion

Disappointed expectations, institutional imbalances within the Union and discursive polarization around key concepts such as 'Europe' or 'the West' have been accumulating in recent years to create the sense of a new East–West divide. Mainstream interpretations of this process tend to speak about successful-then-failed 'Europeanization of Eastern Europe'. This chapter has presented arguments that show how East–West dynamics have been a lot more layered, multidirectional and embedded in a much longer history between the two parts of the continent.

This chapter has set the process of formal integration of East European members into the EU against a longer trend that sees Eastern Europe as internally conflicted over its semi-peripheral status and torn between attraction to and rejection of Western models of modernity. We have also argued that the relations between East European countries and the European integration project started prior to 1989 and that the subsequent consensual 'Europeanization' or 'Westernization' of these countries emerged out of a very specific context of the post–Cold War moment of mutual trust.

This mutual trust has enabled the profound reshaping of Eastern Europe since 1989, bifurcating the post-Communist region into members and non-members of the EU and transforming the former in ways that brought them closer to the ideal end point of post-Communist transition but could also leave them disappointingly far from it. Eastern Europe has contributed in crucial, though often indirect, ways to the evolution of the EU as it is today: as a rival during the Cold War, offering an ideological alternative against which to shape one's politics; as an eager pupil during its post-Communist transformation, forcing the EU to clarify its own positions and values; as an experiment field to test out new ideas and radical reforms; and as an internal other in more recent years, holding up a mirror, or rather a mocking glass, to the buried but undead dark sides and prejudices of the West.

Five key questions

1. What various roles have Eastern European countries played in the history of European integration since 1945?
2. What was detente, and how did the relationship between the Soviet and Western models of modernity evolve in the late decades of the Cold War period?
3. In what ways has Eastern Europe co-determined the European Union since the end of the Cold War?
4. What have been key asymmetries and imbalances in East–West relations within the EU since the 'big bang enlargement' of 2004?
5. What roles did Eastern European countries play during the major crises of the post-2004 years, and how did these crises impact them?

Ten key readings

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