The Meaning of the Third Way in Central and Eastern Europe

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INTRODUCTION

When one asks oneself about the meaning of the third way in Central and Eastern Europe, one may be tempted to look for a magnifying glass effect. On that part of the continent though the questioning of the established institutional balances came faster and more intensely than it did in Western Countries. The State was — or was supposed to be — almighty in the economic and social spheres, but in the nineties it was suddenly inserted into global economy and lost nearly all its means of intervention. One can observe “the replacement of regimes of strong social and economic protection (...) with regimes with less social protection than those of the EU and with a ‘globalised’ institutional face to the outside world, in other words an extreme form of open door for products and capital” (Gowan, 1997: 156).

Despite such characteristics, it is not however possible to obtain the expected magnifying glass effect. Rather, we have to deal with a distorting mirror effect as the logic at work in Central and Eastern Europe rests on somewhat shifted parameters. The State originally in place was not a Welfare State but a communist one; it worked on different bases and did not model the social hierarchy in the same way. Therefore, the push of economic liberalism does not operate with identical social categories. We have to look not for an intensification of the phenomena observed in Western Europe, but for a blend of links and more or less stressed differences. So as to draw a precise comparison, it is necessary to analyse separately the outside marks of a seek for the third way and the economic and social trends which underlay it. On the foreground, a nearness is to be noticed between Eastern and Western Europe but on the background, an important distance is to be observed.

In several Central and Eastern European Countries governing parties are constituted and they show an outward inclination for the third way¹. They reproduce the rules settled by the western

¹ One has to consider the Democratic Party of Labor in Lithuania (Lietuvos Demokratine Darbo Partija, LDDP), the Social-democrat Party of Latvian Workers (Latvijas socialdemokrātu Stradiņu Partija, LSDSP), the Bulgarian Socialist Party (Balgarska Socialistska Partija, BSP), the Party of Romanian Social Democracy (Partidul
followers of the third way. They assert they do not look for a compromise between liberalism and socialism but rather for an original and unprecedented programme. They aspire to the dynamism of the American economy but refuse to reproduce the social disparities which are the counterpart of it. They lay the emphasis on the virtues of the European redistributive systems but wish to avoid the corollary upsurge of unemployment. They declare themselves in favour of equity rather than egalitarianism. They wish to ensure minimum standards and equality of opportunities rather than redistribution and equality of outcomes. They adopt a pragmatic speech and line up behind the slogan “what is best is what works” (Mahr & Nagle, 1995: 405; Arato, 1995: 1; Bukowski & Racz, 1999: 160; Waller, 1995(a): 231; Waller, 1995(b): 483).

The formal nearness with the western models of the third way is all the more striking that historical and sociological bases differ considerably from one part of the continent to another.

From the historical point of view, it is a matter of contrasted experiments. In western countries the third way allegedly originates in a deadlock: on the one hand, new stakes arise which are beyond the Welfare state, and in front of which the traditional recipes of the left are no more effective (the State is no more able to prevent the coarsening of economic hardships); on the other hand, liberalism has revealed its limits as a political philosophy (nobody believes anymore that the market can solve every problem) (Giddens, 1998: 65; Giddens & Hutton, 2000: 41-42). In Central and Eastern European Countries, the memory of the communist regime gives birth to quite a different configuration. Because the State granted full employment during the previous period, some people continue to think that it still can do it through authoritarian methods. Symmetrically, others believe that the free market is a panacea, as for them the communist regime still remains an ugly devil that must be kept away by some sort of economic exorcism.

From the sociological point of view, the same discrepancy is to be noticed between Western countries and Central and Eastern Europe. In the West, the third way is defined as a response to the erosion of the political parties’ popular base: ideological conflicts have a lowering intensity; the voters tend to vote against a party rather than by support for a programme; associative life is more attractive for them than partisan militancy (Giddens, 1998: 19-21; 36-38). In the East, the class vote is still to be observed. It is only in a well established market economy that the influence of class conflicts on electoral behaviour is liable to diminish. Just freed from the state-controlled economy, Central and Eastern European Countries are not likely to undergo a phenomenon of electoral de-alignment. A re-alignment is simply observed, which is supplied by several identified factors: the privatisation of industry and agriculture allows some property owners to enrich themselves and to formulate new requirements; still important numerically, the working class is exposed to strong economic pressures; each social and occupational group develops a consciousness of its interests all the more clear that the gap is widening between the rich and the poor. At first, political leaders do not take into account those new force lines; they are obsessed by cultural and moral issues; they fight each other by means of symbols. So as to strengthen their electoral basis, they are quickly compelled to renounce this behaviour and begin to defend particular interests. Far from fading away, the social roots of political parties do strengthen (Evans, 1995: 241-42; Evans, 1997: 219; Whitefield & Evans 1998: 227; Whitefield & Evans, 1999; Evans & Mills, 1999: 32).

These first elements make our question all the more accurate: how can one explain such a nearness in outside manifestations when the historical and sociological bases are so different? The

*Democratia Sociale din România*, PDSR), the Democratic Left Alliance in Poland (Sojusz Lewicy Demokratycznej, SLD) and the Movement for a Democratic Slovakia (*Hnutie Za Demokratické Slovensko*, HZDS).
answers given by most observers are based on the same generic hypothesis: political parties who refer to the third way in Central and Eastern Europe just look for a flaunting and are prompted by mere opportunism. The argument called for supporting this hypothesis is that the parties under scrutiny are successor parties: their members arise mainly from the former Communist Parties. This argument backs up two contending approaches.

A first approach consists in characterising a *strategy of dissimulation*: it assumes that the reference to the third way has no other function than to dissimulate an inveterate inclination for planned economy. In this context, the communist rule has not allowed the “internal contesting, interest articulation, and bureaucratic institutionalisation” that would have been necessary to prepare the change and to form adaptable leaders. Because they were not socialised in an adequate frame, the leaders of the successor parties can not sincerely direct themselves to a Western-like third way (Ishiyama, 1995: 163; 1997: 301; 1998: 65-67; 1999: 70).

A second approach consists in evidencing a *strategy of imitation*. In this connection, references to the third way allow the successor parties to register in a big European political family and to raise themselves up to the same level of legitimacy as their western counterparts. To be recognised as credible interlocutors by foreign powers and international organisations, leaders of the successor parties have no choice but to accept the “norms, standards and values” of western parties (Timmermann, 1994: 174; 1996: 179).

There are questions to be asked about those two approaches. It is far from evident that successor parties are unable to elaborate an original political platform. References to the third way could be more sincere and substantial for them than it looks like at first glance: the lineage with the Communist Party is not sufficient for one to jump to the conclusion that the political programmes built up in the new context of democracy are of a mere artificial and instrumental sort (Hermet, 1998: 23-24).

To explain why a proximity is noticed between the stance of some western parties and that of their Central and Eastern European counterparts, it seems more appropriate to keep in mind the particular economical context of the post-communist societies. So, one’s attention may focus on a phenomenon of *dependent modernisation* and identify it as an intermediate factor — a factor which intervenes between the historical and sociological bases previously considered and the outward references to the third way. As Bruno Coppitiets and Michael Waller put it: “External institutional factors have played a prominent role in determining priorities in Eastern Europe (...) ; funding bodies are able to make their grants and loans dependent upon certain conditions being met. The economic policies applied in East-Central Europe are part of a dependent modernisation process, in which the relatively backward social, political and economic structures of Eastern Europe are dominated by the Western model of reference” (Coppitiets & Waller, 1994: 191). The European Union and the international creditors (the International Monetary Fund and the World Bank) financially support Central and Eastern European Countries but are only willing to negotiate with them as far as they conform to the western standards of development. The dependent modernisation subjects the Central and Eastern European politicians to an external constraint that is incommensurate with the outside pressures their western fellows undergo. So as to answer this external constraint, the successor parties who refer to the third way define some *principles of action* and tune specific *modalities of action*.

From the point of view of the principles of action, one remains remote from the western model of the third way; the general stance adopted in front of the external constraint does not really reduce the distance observed at the level of historical and sociological bases. From the point of view of the modalities of action, a closer link can be observed; it is
the concrete answers given to the external constraint that bring to establishing correspondences with the western programmes.

THE PRINCIPLES OF ACTION : A REMAINING DISTANCE WITH THE WESTERN MODEL OF THE THIRD WAY

In Western Europe, the founders of the third way focus on two internal principles of action. First of all, they put a normative emphasis on civic responsibility: according to them, it is necessary to let the citizens decide by themselves and the State should only settle a frame for their negotiations; it is advisable to give up the systems which encourage passivity; it is necessary that people get used to taking risks and accepting the obligations which go with such risks (“no rights without responsibilities” principle). Secondly, it is no more possible to be satisfied with redistributing resources; one has rather to redistribute the possibilities; it is better to invest in the training of an individual so that he can change his occupation than to encourage his passivity. The State has the responsibility of guaranteeing access to certain goods and not to provide such goods directly (“Welfare-to-work” principle) (Giddens, 1998 : 70 ; Giddens, 2000 : 122-23).

In Central and Eastern Europe, the founders of the third way cannot focus on internal principles of action; they have to position themselves in front of the external constraints. The European Union and the international creditors require from post-communist countries to “clean up” the economic structures, that is to say to implement structural reforms and to push them forward to their end so that a market economy of canonical shape can be established. A first requirement concerns the respect of a strict budgetary discipline: public supports to the economy should be suspended. The liberalisation of the exchanges is also required: the system of subsidised prices is put under examination. Companies in which the State remains the main shareholder should be completely privatised: the closing-down of big companies that show a deficit is a priority; one expect that a small private industry will develop in substitute and absorb the laid-off workers. Collective farms should be dismantled in the same way and be replaced by big individual firms directed to intensive farming; such principles once respected, the number of farmers will be considerably reduced: once more, private industry is supposed to supply with new employment. By the means of a virtuous dynamical process, small firms and big farms will support each other and sell their productions to one another (Kearns, 1996 : 60-65; Mayhew, 1998 : 30-52 ; Wallace & Sedelmayer : 1996, 353-88 ; Fisch, 1998 : 34-36).

In front of this compulsory scheme, political parties are likely to adopt various positions. In order to appreciate this variety without a lack of consistency, it is necessary to build up a typology. The material of this typology is to be found in theoretical papers dedicated to the policies of economic reforms as well as in inquiries about the new social stratification of post-communist countries. The crossing of these sources brings to characterise three main political programmes. Some parties opt for an acceptance of the European Union and the international creditor’s requirements; this choice stems from a motivated choice; it implies a fight against the internal resistances which impede the implementation of the new economic rules. Other parties can retain a different precedence order by paying a prior attention to such resistances and by rejecting the outside requirements. Those antagonistic programmes can be called respectively integrationnist and anti-integrationnist. There are parties which pretend to stand beyond such an antagonism; their objective is then to perform a fine tuning: compliance with outside standards should be pushed up to the limit beyond which it would provoke major social unrest; internal pressures
should be taken into account up to the point beyond which outside interlocutors would decide to stop the negotiations. The so-defined alternative principle of action gives the framework of a third way programme that is specific to Central and Eastern Europe.

The integrationist programme is based on the requirements of the European Union and the international creditors. Its designers do not yearn for a mere submission; they do not intend to keep for ever the stance they recommend to adopt at present. They just make a distinction between the short and the long term. According to them, a temporary conformation to outside requirements is the necessary condition for a future emancipation. The reforms requested by the European Union and the international creditors are a mean of modernisation and will benefit the whole nation; it is a precondition for dealing one day equal to equal with the western powers. It hurts temporarily but it will immunise society against worse pains. Not to reform the existing structures could grant an immediate social peace but would pave the way to future hardships: weakened on the international stage, the nation would become an easy prey for a conquering economic power. The more the reforms are deferred, the more the country is outdone by its rivals and the more its chances of strengthening itself into the European concert step down (Evans, 1992). On this ground, the defenders of the integrationist programme recommend a complete privatisation of industry. According to them, the closing-down of big companies is unavoidable: Evading it artificially throughout public subsidies is the best way to maintain a financial imbalance and to turn the country into a slump. Small firms should develop, stemming from spontaneous initiatives and acting freely, without any administrative constraint. By the simple rules of the market they will thus be brought to specialising in the most suited sectors so as to meet the needs of the population. The upholders of the integrationist programme are in favour of a symmetrical privatisation of agriculture. They stand against the control of the State on the system of distribution; they assert that the law of supply and demand is the only means to insure a good articulation between sectors of activity. They recommend the dismantling of the State farms; they ask that so freed lands are resold. They favour the constitution of big private farms which practise extensive agriculture and conform to the European standards of productivity. Hence, they intend to impede the development of small subsistence agriculture. They mean to bring the small farmers to sell their plots and to establish individual companies (in the farm-produce sector in particular). According to them, the coupled reforms of industry and agriculture can establish the “internal climate” that will suit the European Union and the international creditors (Kearns, 1996 : 60-65; Gowan, 1998 : 22-23).

The integrationist programme can not be applied without any trouble. Its defenders certainly show strong assurance and cohesion when they are in opposition; but they do not escape turbulence when they assume power. They have to do with a strong local resistance from the most weakened categories of the population; to avoid a generalised social turmoil, they are compelled to slow down the implementation of their reforms and to take liberties with the official set timetable. By so doing, they give way to outside criticism. Governmental activity then sounds like a litany: in order to adorn the charges of laxness, a programme of economical liberalisation is announced, which provokes at once new demonstrations in the threatened sectors. The process is therefore interrupted; the external pressures double in intensity and a new set of privatisation is announced which generates new social outburst. Such a cyclic movement not only upsets the people; it also provokes dissension within the party or within the coalition in office: some leaders or some factions complain about the slow rate of the reforms and claim the integrationist programme has been betrayed. They put the blame on such or such of their partners and are accused back of disloyalty (Haggard & Kaufman 1995 : 151-82).
The integrationist programme is supported by new entrepreneurs. It also attracts big farmers engaged in an accumulation process and eager to develop productive agriculture (Sampson, 1994, 20-29). It finally draws the votes of young graduates who started their active life just after the fall of communism. Less easy to identify than the others, this category deserves a particular attention. From 1990, students engaged massively into short training in marketing, management, economy, data processing... Authorities encouraged them in this way, betting on a strong development of the service sector. Their projections was based on the hypothesis of a fast reorganisation of the economy, but it did not take into account they would encounter resistance. The offer of employment is eventually lower than the demand. The young graduates stay mostly on the sidelines. Those who find a fixed and durable job are employed far below their qualification and are underpaid. So as to survive, they have no choice but to search small complementary jobs. They establish a clear distinction between their interests and those of other categories of the population. They consider that they are unfairly blocked on the lower levels of the social hierarchy. In their minds, the slightest temporing in the implementation of the integrationist programme therefore sounds like a threat of being left aside (Mateju and Rehakova 1993 : 81-85).

On the opposite side, the defenders of the anti-integrationist programme consider that any reform introduced in answer to the outside requirements is unacceptable. They take for granted that the European Union and the international creditors cannot give the nation the means of its self-assertion; they consider that the western models of development are not adapted to the local contexts. According to them, it is harmful to implement it by sheer force for it generates illegitimate and ineffective economic structures. On the other hand, the anti-integrationist programme should allow to escape the so-called “diktats” of the European Union and the international creditors, so as to follow an original way, adapted to the local resources and to the structures inherited from the communist period. The solution is to restore a collective and centralised economy. By this means, and by this means only, a good articulation is to be obtained between all sectors of activity. At present, it is useful to foster all sorts of social uproar (Greskovits, 1998 : 102-110).  

The anti-integrationist programme once implemented, the big farmers who are engaged in a dynamical process of accumulation will be one way or another brought back to State farming. The small farmers will also be transformed into agricultural wage-earners. Agriculture will supply the urban markets and ensure the nation’s self-sufficiency. Industry will also be kept away from western liberalism: small private firms will be dissolved and their employees reinstated into big public companies. These companies will specialise in the mechanical sector and will be directed towards exports. The western markets will not be a target any more. Bilateral and sector-based exchanges will rely on less powerful commercial partnerships.

The anti-integrationist programme is likely to seduce the employees of the State farms, wedded to the collective structures which ensure them a set income and a relatively privileged position. It also attracts the votes of people employed by companies with a deficit — people who are afraid of losing their position and of being unable to find an equivalent one in the private sector: in the model of development drawn by the European Union and the international creditors, the laid-off employees should move into service activities and they are invited to create their own small firms in the service sector. But in fact they do not have sufficient savings to involve themselves in such a way and they are also too poor to buy a piece of land and to turn themselves into big farmers. They therefore strongly oppose the reforms and they are prompt to mobilise when a new set of a privatisation is made public (Rose, 1995 : 14)

The integrationist and anti-integrationist programmes are both based on a radical choice as both allow to obtain some advantages (European and international credit for one and full
employment for the other) but they imply undergoing some drawbacks (social doldrums on the one hand; the end of the negotiations with the European Union and the international creditors on the other hand). The third way programme is defined as a means of overthrowing such drawbacks. Its founders are favourable to the reforms as far as they condition European and international credits. They ask however that the reforms never exceed the required bare minimum. They allege that the State has to assure a good articulation between the sectors of activity and they want it to keep its influence on the economy. They think that a minimal control on the production and the system of distribution is indispensable to prevent from scarcities. They intend to walk towards prosperity through an optimal tuning between submission to the external constraint and preservation of the internal social balance. They demand that the companies showing a deficit be supported temporarily by public subsidies. They do not mean to maintain it in the long run but only fear the disturbance that an immediate lock would enhance. They want to avoid an upsurge of unemployment and deny that the workforce of big companies could be directly absorbed by the arising of small private firms. They contend that a flexible and progressive reorganisation of industry, controlled by the State, is the only means to assure an harmonious distribution of the working population and a preservation of social peace. They look for an intermediary kind of organisation, away from former collectivist principles and economic planning, but which remains at least partially under State’s supervision. In their view, there is no point in the eradication of small private firms. The most important thing is to limit their spreading instead of basing on them all the economic forecast. All companies, be they private or of intermediate shape, are due to export their production towards the European Union. According to the third way programme, agriculture should also be put under national supervision. State farms are to remain in place but should not widen or become a general model of organisation. There is no cause for re-collectivising the land; the only aim is to juxtapose individual farms and big productive ones, controlled by the State and able to support a driven economic policy. Neither in industry nor in agriculture, the kind of organisation recommended by the defenders of the third way programme does fit the requirements of the European Union and the international creditors. It does not totally oppose such requirements though. It is not meant to put aside the structural reforms but to implement them gradually and to subject them to a thoughtful economic scheme. The bet is that, presented properly, it will avoid condemnation from the European authorities and the international creditors. By means of a subtle tuning, a perfect balance should be found that will allow to obtain credits without grovelling to outside requirements (Hellman, 1998 : 218; Orenstein, 1998 : 481-90).

The third way parties pretend to stand above the integrationist and the anti-integrationist ones. Then, one could guess that they court the same electorate, acting like what Otto Kirchheimer called catch-all parties (Kirchheimer, 1966 : 177-200; Deschouwer & Coppieters, 1994 : 13-14). This hypothesis is wrong though as the parties who elaborate a third way programme are supported by special categories of the population: those which are not hostile by principle to the reforms but who fear the consequences of too rough an economical transfer. The electorate of the third way parties occupies an intermediate position: strictly speaking, it is not left aside nor threatened to be left aside in the short-term, but it cannot for all that immediately benefit from the new economic system. It is mostly constituted of small farmers folded up on their plots or engaged in co-operative structures. All of them wish to come to industrial farming and to engage in dynamics of accumulation. None of them though has sufficient capital at the time being. Small farmers must do with a small and weak property. As soon as a good harvest allows them to exceed the limits of self-consumption, they go to the town markets so as to enrich themselves at their own rate. They fear the speeding-up of liberalisation to play only in favour of big farmers already engaged in dynamics of accumulation (Mateju, 1996 : 49; Maurel, 1994, 13-40).
One can realise that the third way programme stems from a very special context in Central and Eastern Europe. Because of the external constraint, it can not be based on internal principles of action similar to those that form the original third way ("No right without responsibilities" principle; Welfare-to-work principle). The principles of actions elaborated in their place consist of an articulation between internal pressures and external requirements. At this level, the external constraint maintains a distance with the western model of the third way. It must nevertheless be pointed out that it does prepare a link at another level in the way it defines a very precise field of intervention: as their western counterparts, the defenders of the third way in Central and Eastern Europe claim to position themselves above the parties yearning for a die-hard administrated economy, as well as above the parties pleading for a total opening to the rules of the market. A significant connection is to be observed if one leaves aside the principles of action so as to consider the modalities of action.

THE MODALITIES OF ACTION: A SIGNIFICANT CONNECTION WITH THE WESTERN MODEL OF THE THIRD WAY

In the continuation of the principles of action previously defined, the western designers of the third way look for modalities of action away from passive benefits policies and from free market approach. First of all, they wish to combine deregulation with an universal access to the goods so that the most vulnerable can fight with strengthened means (a minimal income is still guaranteed and the State remains an employer in the last resort). Secondly, “quasi-markets” are established in the fields of education, health, transport and so on, and a disconnection is operated between the sources of financing and the control over finances, i.e. the State still controls the finances, but independent sources of financing are authorised. The aim is to cumulate efficiency (there is a competition between providing agencies) and equity (the State still has the means to determine the main orientations).

An equivalent of this device can be found in Central and Eastern European countries: successor parties who refer to the third way try to define new modalities of action away from the passive benefits policies and the free market approach. They try to introduce the reforms necessary for an economic deregulation but they consider that the State should keep a safeguarding role. They foster the free organisation of the economic actors and refuse to subject them to centralised directives but they see to it that State can keep an indirect control on the big national orientations.

So as to seize the concrete implications of such modalities of action, one can focus on a precise instance. The political leaders who refer to the third way in Romania were in office between 1990 and 1996. They support president Ion Iliescu. Their party was called the Front for National Salvation (Frontul Salvarii Nationale – FSN) up to 1991 and; after a split provoked by Prime Minister Petre Roman, it was then renamed the Democratic Front for National Salvation (Frontul Democratic Salvarii Nationale - FDSN). It eventually turned itself into the Party for Romanian Social Democracy (Partidul Democratiei Sociale din România - PDSR) after the 1992 general election.

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Let us first consider industry. A Romanian Agency for Development was created in August 1991 to support the creation of small and medium-sized companies. A law for the privatisation of the State controlled companies was voted at the same time with the aim of selling all the public companies within seven years, under the control of a National Agency for Privatisation. 30% of the public capital was to be redistributed to the population by the means of “vouchers”. Five Private Property Funds were created in the cities of Brasov, Arad, Bacau, Bucharest and Craiova to “administer” the vouchers and make sure that every individual share-holder portfolio was diversified and harmoniously constituted. The law authorised the resale of vouchers, but it did not define any general frame for the transactions (Romania had no stock market before November 1995). The remaining 70% of the capital constituted a Public Property Fund. It was then sold by the means of undivided sets of actions: all the parts of a one company had to be bought by the same individual or organisation. 6291 trading companies (small and medium-sized companies specialised in the most profitable sectors: trade, bank, tourism, etc.) were designated for immediate privatisation, representing 53% of the total public capital of Romania. The remaining 47% were allocated to 800 autonomous companies (big public companies concentrated in the so-called “strategic” sectors, generally in a situation of monopoly: mines, armament, transport, electricity, etc.). Autonomous companies generally showed a deficit and remained in activity only due to budgetary subsidies. The rulers contended that they could not interest private investors before they had been “restructured”. They maintained them in the public sector under the control of the ministry for Industry. Thirty units were selected amongst them for an immediate reform and they were integrated into a programme of “experimental privatisation” (Stan, 1995; 1997; Gafton, 1991; Ionescu, 1992; Mares, 1994).

This system epitomises the Central and Eastern European third way: it remains away from a State logic (trading companies are totally privatised); but it also remains away from the free market approach (the State still controls autonomous companies). The frame set up for the management of the privatised sector betrays the will to supersede traditional economic models: opposite to a planned economy, Private Property Funds just settle the frame in which individual strategies can be displayed freely. Opposite to the free market approach, the Public Property Fund allows the State to control the process of privatisation and subjects it to a thoughtful economic scheme.

The same logic is to be observed in agriculture. Two additional devices were built up which stemmed from the double structure inherited from the communist period: before 1990 State agricultural companies (Intreprinderi Agricole de Stat - IAS) existed in Romania, in which the whole land was collectivised and in which the farmers received a salary. They were also Agricultural Co-operatives of production (Cooperative Agricole de Productie - CAP), in which the farmers worked collective lands and were allowed to cultivate individual plots in exchange.

After the fall of the communist regime, the attention was primarily focused on State agricultural companies which covered two million hectares. They could supply the urban markets and remedy the situations of scarcity. This is the reason why the leaders in office tried hard to keep them going and simply saw to having them adapted to a non-interventionist economic frame. They decided to privatise them partially through giving them the status of trading companies. 25% of the shares were distributed to the former owners or to their heirs; 30% were used to set up a Private Property Fund and were actually attributed to the employees. The remaining 45% were sold. Every individual or organisation was allowed to buy such shares. Due to the lack of investors, the State eventually monopolised them. The companies were then put under the supervision of the ministry for Agriculture (Henry, 1994; Brooks & Meurs, 1994; Constantinescu, 1992; Hirschhausen, 1995).
Agricultural co-operatives of production were liquidated at the same time. 9 million hectares were redistributed to 5.6 million owners (Sivignon, 1993 ; Topor, 1991). The Authorities did not renounce integrating such owners into their economic scheme: should an overall organisation be settled, individual farms would supply urban markets and could even generate exportable surpluses. It was then necessary to supply proper mechanisation and to allow each farmer to use the most accurate and modern agrarian means and methods ; it was also necessary to take care of a proper collection and distribution of individual farm productions. The stations of agricultural mechanisation inherited from the communist period were therefore turned into companies and renamed Agromec. There were 520 of them, holding 50 % of the whole set of Romanian tractors. Agromec stations were put under direct control of the ministry for Agriculture. The capital invested was totally public and the objective was a gradual diversification. On the same basis, a Semrom company was created in every district to supply the farmers with fertilisers and sowing. The communist network for the collection of crops was kept and turned into a commercial trust called Romcereal in which the State remained the major shareholder. Romcereal had numerous local bases and it bought cereals from the farmers according to the national needs and saw to a good distribution on the whole territory.

In articulation with those three agricultural institutions, a law on agricultural companies and other kinds of agricultural associations was voted in April 1991. It aimed to develop intermediate collective structures which should group together small individual farms so as to give birth to productive and profitable agricultural units. It established a distinction between domestic associations and agricultural companies. The firsts rested on an informal agreement amongst farmers. In the seconds, farmers made their investments and worked the land in common, but each one sold his harvest as he wanted. Every agricultural company was managed by a board of directors and the capital was divided into shares as in any private company, all members being free to leave at any time.

The individual farmers could connect themselves with Agromec stations, Semrom companies or Romcereal local bases only if they were members of an agricultural company. If so they could obtain agricultural material, seeds or fertilisers at preferential prices and sell their harvests in the most advantageous conditions.

Agromec, Semrom and Romcereal worked in an interactive way. Every year, Romcereal received a credit from the ministry for Agriculture. It payed in advance to Agromec and Semrom their services to the agricultural companies. In exchange the farmers delivered part of their harvest to Romcereal (Hirschausen, 1997 : 67).

Comparatively to the device set up in industry, this elaborated system did not comply with the rules of free market and allowed the State to supervise the course of economy without being part of a planned economy. It allowed an articulation between external constraint and internal pressures: the parties who promoted it remained apart from the parties whose aim was a complete submission to external requirements as well as from parties who wanted to considerate internal issues in priority.

The modalities of action defined by the followers of the third way in Central and Eastern Europe are still distinguishable from those that are used in the western countries: they are justified by the necessity to articulate external constraint and internal pressures. But inasmuch as external constraint leads to die-hard economic liberalism and internal pressures lead to passive benefit
policies, the compromise therefore obtained eventually gets closer to the formulae developed in Western Europe.

CONCLUSION

In Central and Eastern European countries, the third way is not a simple reproduction of the western model as it does not consist either of a simplified and toughened version of this model but rests on specific bases. This specificity is not so strong however that it should impede any comparison. Several observations are to be made on this account.

1. If one looks for a definition of the third way applicable on the whole continent, one should content himself with a negative one: rather than counting up intrinsic attributes, one has to specify to what extent the third way differs from other political propositions. A structural equivalence can be found in this way: in every case, one notes a refusal of both the free market approach and the passive benefits policy.

2. The Central and Eastern Europe version of the third way has not got the same ideological roots as the Western one for it is elaborated in the context of a dependent modernisation. By imposing a special trajectory to Central and Eastern European countries, the external constraint reconnects them to solutions close to those experimented in western countries. This linking is not discernible in the principles of action but it does come to light when one goes through the modalities of action.

3. The third way worked out in Central and Eastern Europe does not partake of an instrumental logic. It originates in social-demographic factors and in structural variables more precisely identified than in Western Europe. The parties who refer to it do not look merely for techniques to rationalise their impotence and wrap it up in theoretical finery, but on the contrary for a concrete and effective remedy to the contradiction between external constraint and internal pressures.

4. The practical modalities of the third way as one can conceive them in Central and Eastern Europe are less extensive than in Western Europe: they do not ramify in all the sectors of economic and social life but only in the sphere of employment and production. They are based on precise mechanisms in industry as well as in agriculture and they just consist of privatising without stopping the State from shaping indirectly the economic balances.

5. The connection between the third way parties in Western Europe and those of Central and Eastern Europe is of outstanding importance in the context of The European Union’s enlargement process. The leaders who refer to the third way in post-communist societies sort of acclimatisate the European Union’s economic standards to local reality: they do not comply directly and whole-heartedly to the outside requirements, but they do not refuse the dialogue either. They propose a progressive and moderate adaptation which should not ill-treat the populations and which should avoid to provoke defensive reactions. So that this role can be played effectively however, it is necessary to remedy a problem of outside perception: the leaders who refer to the third way should be taken seriously and one should believe in their
sincerity and appreciate the originality of their political project rather than describe them as manipulating and cynical “neo-communists”.

REFERENCES


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