



LSEE Ghiță Ionescu Memorial lecture

Politics and the pursuit of welfare

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Translation from Romanian

Ladies and gentlemen,

It is an honour for me to open the "Ghiță Ionescu" series of conferences. To us Romanians, Professor Ionescu has been a major figure among intellectuals in exile at a time when Romania was under a totalitarian dictatorship.

I thank you for the invitation to address you here in one of the most prestigious institutions in the field of social sciences. Many Romanian students have studied or are studying at LSE, in a truly international and competitive environment.

Professor Ionescu analyzed regimes such as the one that governed my country for 45 years from a theoretical perspective. I would like to address this issue from a practical perspective.

As understood at the time, politics was taken to be not primarily a set of arguments or principles, but rather a sum of promises. Communism had promised people that they would be happy. The ideologists of the single party promised a society free from inequality, repression, conflicts, exploitation and systemic crises.

In reality, it all resulted in a historical failure. We could all see the evidence around us. Disparities had deepened. Repression had reached mass proportions. Conflicts were only suppressed inasmuch as their actors were suppressed. Citizens were exploited by the State itself, in the name of a new type of freedom. The system was in a permanent crisis.

Unable to eliminate the State, as it had set out to do, communism settled for weakening it. It canceled respect for the rule of law in the name of a partisan justice. It eroded the legitimacy of state institutions and promoted a false modernisation whose negative effects we are still experiencing today.

The advent of the post-communist period did not translate into the complete disappearance of this view of politics. Many people expected a new miracle from the State. The hope that the State should provide for our happiness was gradually replaced by the idea that the State should provide for the welfare of each and every one of its citizens.

My conviction is that a politician should not promote stereotypes, nor be seduced by the spirit of Utopia. Societies are composed of individuals that should be responsible for their own destiny.

This statement leads to another, about the main role of the State, to guarantee the supremacy of Law. The State must be an impartial arbitrator and it is its duty to provide for the protection of its citizens.

The economic downturn we are currently going through has revealed the fact that the lives and liberties of many people are constrained by a different type of state. An interventionist state, that uses a huge amount of resources, based on an oversized bureaucracy.

I leave it to specialists in political philosophy to debate the strengths and failings of different types of State. Myself I will just point out a fact that we are all aware of. The global crisis has shown how vulnerable those states that interfere too much in the workings of the free market really are. That includes the labour market and social programmes that are often unnecessary.

A notable professor of the LSE, Friedrich Hayek, declared that the system of private property is the most important guarantee for freedom, not only for those who own property, but even moreso for those who do not. Recently, the tendency has been to blame the capitalist system for everything that went wrong during the crisis. No doubt, capitalism can be improved. But I cannot help but wonder what would have come of the countries of Eastern Europe and perhaps of the continent as a whole, had the current economic crisis hit inflexible and centralized command economies.

The current situation is more serious than purely economic calculations have shown. Before anything else, democracy must be sustainable. Severe, chronic deficit levels, ever higher levels of debt and a punitive tax system are incompatible with the principles of the Rule of Law and the values of liberty and individual responsibility. It is not the free market that is an annex of the welfare state, but rather it is the welfare state that depends on the proper functioning of the free market.

Politicians are constantly tempted to allocate benefits to certain groups of voters in order to ensure their support in the next election. This creates a considerable vulnerability for the entire society, as representative institutions can then turn into instruments controlled by certain groups instead of working for the public good. The spiral of unjustified benefits then becomes self-perpetrating.

The disproportionate focus on the politics of welfare can be approached from another angle, that of a crisis of values. There is a temptation to focus inwards on a limited sphere of consumption and benefits and to support different variants of protectionism or isolationism. Yet modern democracies have had a sense of their historical mission. By favouring peace rather than war and trade rather than isolation, democracies have created an expanding space, where freedom and individual rights have become key values for millions of people. This peaceful and generous spirit lies at the origin of the European Union.

Though we are now members of this club of advanced democracies, we have not reached this stage in the same way that our partners in Western Europe have. Looking back in history, we observe that Western states have become democratic over a long timespan. From the beginning of their modern existence, western countries have successfully established the Rule of Law, a competent administration and legitimate institutions. They enforced the respect for individual rights even before the triumph of political equality and the principle of sovereignty of the people.

In a different fashion, certain states in Central and Eastern Europe reinvented themselves in a very short interval, after 1989, as electoral democracies. This is the context in which we should understand the direction of their development : towards the creation of strong, legitimate institutions based on the Rule of Law. In this sense, the strengthening of democracy implies moving from a formal, procedural democracy to a consolidated democracy.

This is a complex process. Romania's experience, just as that of other post-communist states, has shown that the process of reforming the State has taken longer than we expected in 1990. There is a paradox of certain state apparatuses, which promote revolutionary changes at political, social and economic levels, while retaining a high degree of inertia in the level of their functioning. This leads to the disheartening of that part of society which supports change and to state institutions losing credibility.

It is against this background that populism thrives, a topic of concern for Professor Ghiță Ionescu as well. Together with Ernst Gellner, he had observed that populism is the ideology

most frequently adopted by leaders of new states. If socialism promised a diffuse, idyllic happiness, to be attained when Communism would be completed, after 1990 the promise that the new democracies made seemed to relate, in many people's minds, only to the tangible satisfactions of Western welfare.

This association left room for frustration when the economic boom did not happen as expected or when it did not benefit everyone. Anti-establishment parties and parties led by former members of the Communist system swiftly capitalized on discontent as they focused on encouraging statism and collectivist reflexes inherited from the previous period.

One of the ideas that we now try to develop in Romania is that democracy and its quality depend on individuals in society freely and responsibly acknowledging their role. Democracy is not the regime of the State, but that of the Citizen.

Perhaps the most remarkable thing that happened in a very short period is the strengthening of a democratic political culture. Ever since the 19th century, when of the modern Romanian state was created, our political and cultural elites have been pro-Western. The Soviet occupation and the domination of the single party could not suppress this orientation, which became again the main element of consensus of the Romanian elite in the 1990s.

Thus, there is a continuity in our orientation that has also been supported by contacts with the West. Western radio broadcasts, including the BBC's Romanian service, had a very direct impact on the majority of the Romanian public.

Please consider these thoughts, imperfect as they may be, as a contribution to the discussion from a man who is asking himself about the system of values that should support his attitudes. Only through a committed dialogue we will acknowledge and find solutions to the challenges of today's world. This is where academics play a crucial role. They challenge preconceived ideas, develop people's thinking and bring cultures closer together.

Each of you can do more than all politicians together. Do try to understand us Romanians just as Ghiță Ionescu, a Romanian, succeeded in understanding the Western society and your political system in the second half of the last century. Just as Eastern Europe still needs foreign investment, it also feels the need for intellectual investment. I encourage and assure you that you will find there plenty of originality as well as the surprisingly large number of things we have in common.

I will conclude with a message of optimism. The extraordinary circumstances we find ourselves in today should not lead us to dogmatism nor to a lack of hope. Another great professor of the LSE, Michael Oakeshott, stated that in politics, men sail a boundless and bottomless sea, with neither harbour for shelter nor floor for anchorage. Seamanship consists in adjusting traditional manners of behaviour in order to make a friend out of every hostile occasion. Together we will rise to meet this challenge.

Thank you!