Introduction: Official and Alternative Legacies

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"Hangover in the Eastern Bloc", "The Revolution Devours Its Own Children", "Wild-East Nationalism", "Balkanization of Eastern Europe", "Civil Society Under State Control"—one rarely opens a newspaper in London or Prague, Tokyo or Budapest without such headlines during the last three years. While 1989 was a euphoric year of political revolutions in Eastern Europe, 1990 and 1991 saw a growing disillusionment with the long-awaited Great Transformation. According to many analysts, the big question of the years 1992 and 1993 was whether anything one might be proud of from among the achievements of 1989 has survived. By now frustration is deep-seated not only in the mass media but also in scholarly and political communities.

Liberals and conservatives are concerned about the collectivist-statist leanings of the new political elites in Eastern Europe and the survival/comeback of the communist nomenklatura. Furthermore, they are apprehensive about the twists and turns of economic deregulation and the sluggish establishment of the rule of law in the new democracies. Social democrats are shocked by the harsh stabilization measures of the first non-communist governments, the lack of welfare guarantees, and the weakness of industrial democracy in the former socialist countries. Christian-Democrats in the West discover that their sister parties in Eastern Europe tend to adopt authoritarian-nationalist-populist policies. Finally, a great number of social scientists all over the world, who had put much faith in one of the unexplored "Third

Roads" the former communist states might take during the 1990s, have been frustrated seeing that those roads may lead back to the 1930s. Weimarization and Balkanization have become fashionable labels in the literature.

Quite a few observers claim that most of the predictions that were made prior to 1989 about the fate of Eastern Europe have proven misleading: the markets are still under state tutelage and being dominated by post-communist mafias; the parliaments are run by the old-new ruling oligarchies; the state replaces civil society, just as chauvinism replaces patriotism, or church bureaucracy religion. Imitation—frequently of outdated patterns—serves as a substitute for social innovation. Invention is suppressed by improvization, spontaneous evolution by social engineering. Many of the anti-communist heroes of yesterday have become anti-heroes of post-communism today.

As paradoxical as it may be, Eastern Europe can provide everyone with a sufficient amount of pessimism, regardless of whether they come from the East or the West, from the left or the right. Of course, the cool-headed analyst might point out how exaggerated the preliminary expectations about the political revolutions were, and why wishful thinking has resulted in general disillusionment and over-anxiety. Unfortunately, pessimism resists such comparisons and implies a blanket characterization of countries, which were considerably different from each other already under communism. The heterogeneity of the countries' pasts notwithstanding, most recent studies of Eastern Europe exclusively focus on *current economic and political details* of the transformation processes. They also tend to overlook the huge gap between the pre-1989 and 1989 transition programs and the post-1989 reality, as well as the lessons drawn by the "transformers" (the agents of the transformation) from the mistaken predictions. Yet, the fact that none of the once celebrated scenarios—neoliberal breakthrough, all-out social-democratization, renaissance of the civil society, etc.—have been implemented so far might suggest that the legacy of the *ancien régime*, i.e., the point of departure for the transition from socialism, was widely misinterpreted.

The greatest calculation errors probably occurred in the estimation of the *unofficial ("alternative," "positive")* rather than the "official" part of the legacy of the Soviet-type systems. Understandably, in order to find the proper agents of the transformation, the scenario writers

searched for the embryo of the new order in the womb of the old one. Although the majority of them stressed that the transformation would basically start from scratch—in other words, that the official legacy of the old regime was to be of no use—they entertained hopes about the alternative "heirlooms" of real socialism, optimistically assuming that those would *sui generis* promote the transition processes.

The word "transition" was used in the singular to stress the basic similarities in the direction of change. "The common destination is capitalism", many analysts said, more exactly, a kind of *Western* capitalism somewhere between Margaret Thatcher and Willy Brandt. Communism will disappear for good, and although in the near future there may occur shorter or longer detours in Eastern European history, it is democracy, rule of law, private property and the market that will be the final products of the transformation.

To be sure, the communist heritage was not disregarded under the spell of the 1989 euphoria. It was rather divided into active and inactive parts. The components of the official legacy, i.e., the systemic features of communist economies and polities such as large-scale nationalization, obsolete industrial structures, environmental pollution, huge state bureaucracies and lack of entrepreneurial spirit, were regarded as factors which—due to their inertia—would in the beginning slow down the transition to capitalism. However, it was also assumed rather optimistically that they would not be able to re-invigorate themselves. Essentially, they were seen as the *inactive* (deactivated) trash of the old system, ready for removal. Many observers believed that it would depend only on the capacity of the garbage collector as to when the trash would finally be burnt or recycled.

Ironically, this approach to the remnants of the previous regime reminds the observer of the way in which early communist theorists had expected the "evaporation" of the feudo-capitalist heritage in Eastern Europe after the war. Just as those theorists had been unable to predict the rebirth of liberalism under communist rule, the early post-communist transformers failed to foresee the survival or renaissance of collectivism in our days.

The *active* part of the communist legacy was associated with the non-systemic features of the former regimes, ranging from "peaceful" networks of informal business activity to militant anti-communist political organizations. These factors were supposed to support the tran-

sition to capitalism at least as vigorously as they had contributed to the demise of the old system. It was widely presumed that this—unofficial—part of the legacy would not have to be deactivated after 1989. On the contrary, it must be given free room to develop and adjust to the new conditions. Capitalism means markets; why, then, could not the illegal or semi-legal transactions in the planned economy be converted to legal ones in market economies? Capitalism means democracy; why could not the independent trade unions, civic initiatives, patriotic movements find a place in the new political configuration?

The naively optimistic message of these questions was usually based on the umbrella concept of "civil society" (second society) that gained enormous popularity in East and West during the 1980s. There were theorists who trusted in the liberal (entrepreneurial) strength of the *shadow economy*; others believed in the democratic force of the *new social* (national, peace, trade union, etc.) *movements* in Eastern Europe; again others assumed that the *reformist elites* of late socialism would remain important catalysts of change even after the political revolutions; and also there were many who based their optimism on those legal attitudes, moral values, religious beliefs and everyday forms of behaviour which could survive as a kind of counter-culture in the "*niches*" of the old regime. Some of the analysts even predicted that this unofficial heritage—as soon as it came to light—would broaden the institutional and cultural repertoire of advanced industrial societies, too.

While one could easily foresee that most of the surviving systemic features of the Soviet-type economies and polities would hamper the starting moves of the transition, many observers presumed that the alternative (secondary, parallel, informal, shadow) characteristics of planned economy and one-party rule would fit in well with the new world of market economy and parliamentary democracy. Now, recognizing the friction in this adjustment (resistance of the shadow economy to privatization, conflicts between the former opposition movements and the new parties, independent trade unions blocking economic liberalization, national emancipation leading to civil wars, etc.), even the disciples of the "civil society" school begin to admit that—in addition to the official remnants of the Soviet-type system—its alternative legacy may also *inhibit* economic and political liberalization. What was instrumental in undermining the old communist

regimes may not always contribute to the integration of new democratic ones.

Why did these theorists overestimate the liberal capacity of the unofficial heirlooms of real socialism? Why did they ignore the expressly collectivist-statist components of the counter-culture? What happened to the alternative legacy in the last couple of years? What kind of transformation programs grew out of it, and how did they work or fail during the first stages of the transition?

What had been used in the singular became plural. Eastern Europe in 1993/94 is witnessing *transitions* instead of one single kind of transition. We may even apply the term "transformations" to express a variety of changes without clear and predetermined directions.

In 1989, no serious analyst believed, of course, that the transition process would turn out to be one-dimensional. Complex societal systems have been undergoing change from Warsaw to Ljubljana, from the Central Planning Office down to the smallest village council, from military doctrines to family behavior. Nevertheless, it was generally expected that the changes in the individual dimensions would point in the same direction and thus reinforce each other.

Synergy was a premise in the logic of transition. In the economy, stabilization, marketization, privatization and restructuring were believed to support each other and result in growth and modernization. In the political system, competitive democracy and the rule of law seemed to be a winning combination promoted by local self-government, industrial democracy and—in the case of multi-ethnic states—by new (con)federal arrangements. As far as the social aspects of the transition were concerned, comprehensive Social Contracts were envisaged between the social partners, and a new entrepreneurial culture and the principle of solidarity seemed compatible with each other and with other principles such as environmentalism. These three spheres of society—economic, political and social—were expected to trigger mutual positive feedback. The well-known dilemmas of economic liberalism versus political democracy, freedom versus equality, etc., seemed to be solved through the process of conversion to capitalism.

Perhaps the most frustrating lesson to learn from the first stages of the post-communist transformation has been that the synergetic effects are frequently neutralized or offset by conflicts between the changes. To cite the one example that has probably most embarrassed the lib-

eral economists in Eastern Europe recently: market reforms (e.g., price liberalization) have often counteracted privatization; at the same time, private property has sometimes contributed to the perpetuation of distorted markets. If such—inherently compatible—transformative tasks as privatization and marketization can disrupt each other, many transformers nowadays ask, how one could expect even limited harmony between, for example, these tasks and stabilization policies, not to mention the establishment of the rule of law or social justice.

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As a contrast to the mainstream of current historiography of Eastern European transition, many of the chapters in this collection take a *history-of-ideas approach* to seek answers to questions like these. The aim of our research group[1] is to observe how the main theoretical paradigms, political ideologies and social values, applied by the scholars and politicians of Eastern Europe in understanding the communist heritage, have changed throughout the period of transformation, and continue to do so. Unlike most of the TD (Transition to Democracy) projects that have mushroomed in the last three years, our research group was *not* organised for the sake of a one-conference program; a program which tried to cover every possible aspect of the transformation under a comprehensive title such as "Why has communism fallen so rapidly, and why is capitalism emerging so slowly in Eastern Europe?" On the contrary, many of the members of the group have been working together on case studies of the transformation during the past three years, and they continue to observe the intellectual developments of the transition in the long run.

In principle, every transition process can derail in at least three ways: (a) if the transformer miscalculates his starting position; (b) if he chooses an unfeasible destination; and (c) if he insists on improper means and non-viable sequences of measures in managing change. In our research project we have decided to begin with the study of the *points of departure* of post-communist transformation. At this juncture, we try to reinterpret those alternative institutions, movements, ideologies, values, etc., which allegedly contributed to the erosion of the old regimes in Eastern Europe. As a result of this, one can arrive at a new typology of the heritage. The authors, a number of whom work as practicing transformers, portray the unofficial legacy of communism without nostalgia. They do not long for the good old days of anti-communist solidarity within the opposition and do not feel particularly sorry for the alternative movements which—like Winston Churchill—won the war but lost the peace.

Instead of gloomy prophecies about the "betrayal of the revolution", the reader will find quite a few cautiously optimistic predictions in this collection. Legacies are elastic social phenomena. Eastern Europe is currently witnessing, for example, how rapidly the members of the former *nomenklatura*, who were always considered a rigid component of the official heritage of communism, have turned into new entrepreneurs. Why should we exclude then the possibility of flexible adjustment in the case of the alternative heirlooms which already showed great variability under the old system?

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Our book consists of *four parts*. The first three parts cover the economic, political and sociological dimensions of the transformation. The fourth one includes comparative observations on the basis of Latin American and South-East Asian experiences.

I

In the first part István Gábor examines why—contrary to the various theories of post-communist embourgeoisement—the private entrepreneurs of the "socialist" shadow economy in Hungary are reluctant to become pioneers of marketization and privatization despite the legal recognition of the freedom of private ownership. They are accustomed to weak competitors in the form of the state enterprises, to behind-the-scene transactions and to monopolistic behaviour. Therefore, any populist third-road strategy based on the further protection of this sector from foreign capital by the state may invalidate the overall liberalization of the economy.

János Mátyás Kovács portrays the intellectual heritage of the economic reformers of the old regimes in Eastern Europe, emphasizing the elements of continuity in their sociological status and theoretical attitude on their way to becoming transformers. Some years ago they did their best to modernize the Soviet-type system from above through regulating the market but—in most cases unintentionally—they con-

tributed to the system's demise. In the author's opinion, instead of a kind of "Eastern neoliberalism" that has been predicted in the West, we rather see in the new democracies a large array of economists with a continued strong inclination for state intervention and social engineering.

Relying on the experiences of shock therapy in Poland, Jerzy Osiatynski provides a revision of the thesis, widely accepted in scholarly circles before 1989, that radical market reforms would be blocked by the "natural" resistance of the population. For a short period, the Poles were ready to accept a series of painful stabilization measures taken by the new government. To a great extent, this was due to the strength of the alternative political heritage of the Solidarity movement, and the temporary consensus created favourable conditions for economic liberalization. Another consequence of the same heritage, namely the replacement of the communist nomenklatura by the Solidarity elite in large segments of the state economy may, however, become an obstacle to further deregulation.

In their twin essay that connects the first two parts of the collection László Bruszt and David Stark take a genetic approach to explain the differences between the various types of privatization strategies and transformative policies in Eastern Europe by means of the diverse institutional legacies of the countries leaving socialism behind. After having compared the types of privatization in Czechoslovakia, the former GDR, Hungary and Poland, Stark concludes that the choice between statist versus market strategies for dismantling the public sector is also highly dependent on the mode of political extrication from real socialism in the given country. Thus, in Hungary the long reformist-liberal past of economic guidance may be counter-balanced by the interventionism of the new government; the opposite tendency may occur in Czechoslovakia; the Polish tradition of workers' self-management may restrain the privatization efforts of the liberal government, etc. In a word, the alternative heritage in economic matters does not inform the observer properly about the future paths of the overall transition.

II

This is the main message of Bruszt's paper, too, which provides a dynamic typology of the transformation programs in Eastern Europe.

In this typology the countries are arranged according to the speed of the transition and the ways of interaction between state and society in managing change. No matter how broad popular support was inherited by the new governments from the unofficial movements of the "civil society", says the author, the sympathy has in the meantime rapidly eroded. This calls for new Social Contracts, in which the terms of incorporating some old alternative heirlooms will be essentially redefined.

András Bozóki attributes the fragility of the new democracy in Hungary to a considerable extent to the political legacy of the Kádár regime. As a contrast to Poland, civil society in Hungary was characterized by "individualistic" economic strategies of survival rather than by political self-organization and mobilization. Nevertheless, even this late-socialist entrepreneurial culture is evidently not sufficient to avert economic crisis, the greatest danger in democratic transition. Because the new political elite can only partly derive legitimacy from its oppositionist heritage, it is difficult for it to neutralise the authoritarian-populist tendencies produced by economic hardships.

In his chapter Vladimir Gligorov examines the political spectrum in former Yugoslavia from the point of view of the breakdown of the political space of communism and the emergence of state nationalism. The alternative political movements became nationalist parties almost without exception. As a result, civil society has lost its strength that was not great anyway. The old collectivist structures were replaced by new nationalist, authoritarian ones, and the heritage of dissident liberalism could not grow into a right-wing democratic-liberal movement. In Gligorov's view the present civil war was preprogrammed by the conditions of the first Yugoslav state in the Balkans and there is no constitutional solution for the conflict based on a liberal approach to rights. What has been "left" from communism is not "right", concludes the author ironically.

Jan Gross is also concerned about the fate of the unofficial political legacy of the old system. In his opinion, the former opposition forces of Poland have proven unable to gain sufficient legitimation in their new democratic roles. Solidarity is swinging between its old anti-statist position and the daily requirements of establishing itself as a political authority. Moreover, the new order cannot get rid of the moral burden of the "illegal" roundtable deal made with the communists on important constitutional issues. This provides an opportunity

for authoritarian-populist leaders to occupy large segments of the political space. The recent victory of the ex-communist parties in the parliamentary elections proves the legitimation deficit of the liberal forces.

National ideals, family, religion, etc.—these elements of conservative culture were supposed to accelerate liberal transformation after 1989. The alternative heritage of political conservatism, however, seems not to follow the dominant Western patterns, says George Schöpflin in his chapter. Rather the conservative thinkers of Eastern Europe in our days turn to the prewar illiberal traditions, to a kind of "underdeveloped" conservative culture in seeking answers to the questions of the future. Thus, despite the fact that the new conservatives situate themselves on the right, they are inclined to think in "leftist" (statist, collectivist) terms.

III

In the third part of the collection, Ivan Bernik re-interprets the role of the former marginal intellectuals, bearers of a large part of the unofficial heritage, in the light of the political revolution in Slovenia. Their influence became crucial (as compared with that of the technocracy) at the moment of change. Nevertheless, it decreased drastically during the establishment of post-revolutionary institutions. Messianism, non-conformism, innovativeness, etc., are not bestsellers in this phase; the former oppositionists are dispersed among the new parties; and their basic ideological differences are not obscured any more by a uniform anti-communist position. They have become just one small group of the new political actors.

In his chapter Marcin Król examines how the liberals might react to the reemergence of the church in Poland as a kind of "state authority". The author, who ironically calls himself an angel's advocate, considers the new hegemonic attempts of the church, a former adversary of communist hegemony, a natural consequence of Catholic teachings. Therefore, he rejects the possibility of both "liberalizing" the Catholic tradition and "catholicizing" the liberal heritage of the former opposition movements. Moreover, he suggests that a strict division of labour between the "law" and the "soul", a kind of *modus vivendi* between the liberal political forces and the church, may help avoid the former

allies from becoming enemies in the period of the transition. The failure of the Christian parties in the 1993 elections provides lessons for both sides.

Martin Bútora, Zora Bútorová, and Olga Gyárfásová explain how nationalist legacies in Slovakia contributed to the "velvet divorce" of the two nations of Czechoslovakia. These legacies, rooted in pre-communist times, were reinforced by real socialism. The alternative movements, which were predominantly liberal, underestimated the vigor of nationalism in Slovakia. This paved the way for a political regime based on a combination of post-communist and nationalist forces; a combination of the official and unofficial legacies of communism.

The unofficial liberal heritage of communism in Hungary is surveyed in Antal Örkény's and György Csepeli's chapter by means of opinion research. Contrary to the expectations of social scientists, liberal values were represented by the tiny groups of urban intellectuals in the former opposition rather than by the millions of real participants of the late-Kádárist "socialist" market. Furthermore, the latter's views have become increasingly inconsistent during the first years of the transition: in the deep economic crisis the "Sleeping Beauty" of socialist-egalitarian values may wake up at any moment, and nationalist aspirations also have started to suppress the remaining liberal beliefs of the population. In short, the unofficial legacy of communism must be much more ambiguous than the analysts thought at the very outset of the transformation.

At the first glance, the case study written by Endre Sik about the Hungarian taxi drivers' strike of October 1990 seems to contradict the above thesis. The author portrays the strike, which was regarded by many as the first sign of large-scale civil disobedience against the new governments in Eastern Europe, as a normal corporatist action of interest representation. He derives the bargaining power of the taxi drivers from the late-socialist milieu of the Hungarian 1980s favourable for small entrepreneurship. Nevertheless, this entrepreneurial heritage also includes monopolistic techniques that were used to counter-balance state intervention under the old regime. The same techniques can be applied, however, to endanger the fragile institutions of the rule of law as well.

IV

The last part of the volume contains three comments made by scholars who look at the Eastern European transition from the perspective of European history, as well as of Latin American and Asian studies.

Peter L. Berger selects four cases (nationalism, the church, intellectuals and the shadow economy) to show how former virtues may become obstacles to post-communist transformation. This metamorphosis also stems from the fact that in Eastern Europe two distinct processes of transition are combined: the transition from socialism to capitalism and the transition from dictatorship to democracy. Comparative studies demonstrate, however, that the relationship between capitalism and democracy is asymmetrical. Furthermore, capitalism historically has tended to precede democracy (cf. most of the Asian cases of the transformation). If the establishment of democratic institutions precedes capitalist development, those who suffer the unavoidable economic pains of the transition may organise themselves to block marketization.

Barry Levine seeks Latin American analogies in his paper. However, it is very difficult to find examples of successful economic transformation on that subcontinent, and even the success stories (Mexico, Puerto Rico, Chile) are politically ambiguous. In these countries economic modernization was managed by authoritarian-interventionist regimes. At the same time, if Eastern Europe succeeded in linking political liberties with the market, this would be greeted with great acclaim in the developing world. In any event, the Latin America expert has already seen so many attempts at importing development schemes from the modern world that the only thing he can predict is that "what is transferred will be transformed": i.e., the transition from socialism will certainly surprise the social scientists with a new bunch of evolution patterns in the future.

Finally, Robert Weller's comments originate in that part of the world where the most spectacular examples of rapid capitalist transformation can be found in our time, East Asia. The fact that currently in Eastern Europe even part of the unofficial legacy of communism seems to inhibit the transformation process must not disappoint the observer. For in East Asia sometimes even official remnants of the pre-capitalist systems promoted the transformation. Family ties, patronage networks, religion, etc., could be used for new purposes instead of throwing them away. Marketization and privatization gained legitimacy from their final economic success in retrospect rather than from a democratic process running parallel to them.

Note

1. The Vienna Institute for Human Sciences launched a comparative project on contemporary economic and political thought in Eastern Europe in 1988 (cf. J.M. Kovács & M. Tardos (eds), *Reform and Transformation in Eastern Europe. Soviet-Type Economics on the Threshold of Change,* Routledge, London 1992). This research program was continued and enlarged first by the Institute's "Rediscovery of Liberalism in Eastern Europe" project in 1990 (cf. the special issue of *Eastern European Politics and Societies,* Winter 1991), then by the "Transitions to Democracy?" project from 1991 on. The Institute for the Study of Economic Culture at Boston University showed interest in our long-term research efforts and generously supported the preparations of this volume. Our book owes a great deal to Rosemarie Winkler and Elisabeth Zickbauer who so carefully prepared the manuscript for publication.