

THE ANALYSIS OF REVOLUTION is treacherous. At first all appears to be in turmoil and flux, but soon normality sets in. From Tocqueville on, those who have been able to observe carefully great transitions in the cold light of history have tended to see in the new regime much continuity with the old.

In 1989 occurred one of the great revolutions in European history. The Iron Curtain was lifted and within a few years communist authoritarianism was gone from Europe and Russia. About fifteen new autonomous nations appeared on the European map, all of them more or less democratic and capitalist. NATO and the European Union pushed the dividing line between east and west on the Eurasian continent dramatically eastward. Individualistic “western” values spread to reign supreme without competition.

So what happened? What is new and what is continuity? It is early days yet, but twenty years on we are starting to be able to put the picture together. The three books under review represent perhaps the most significant social science contribution so far to that effort, emanating, strangely enough, from the Czech Republic. Strangely enough, because the social sciences and intellectual life generally, suffered greatly from communist repression in Czechoslovakia, certainly much more than in neighbouring Hungary and Poland. A sliver of independent empirical sociology did, however, survive under the guise of being descriptive and statistical. A handful of competent empiricists were in place with the required tools of analysis to hand and were, as luck would have it, determined from day one to put those tools to use to describe, measure and monitor the processes of social change that were unleashed. These works represent the glory of that luck and determination.

Jiří Večerník of the Institute of Sociology of the (now) Czech Academy of Sciences has in order produced three books about the Czech transition (two on his own and one co-edited with his colleague in the same institute, Petr Matějů, in which book Večerník is also the author or co-author of almost half the text). These books represent an

\* About Jiří VEČERNÍK, *Czech Society in the 2000s: A Report on Socio-Economic Policies and Structures* (Prague, Academia, 2009), Jiří VEČERNÍK and Petr MATĚJŮ (eds.), *Ten Years of Rebuilding Capitalism: Czech Society after 1989* (Prague, Academia, 1999) and Jiří VEČERNÍK, *Markets and People: The Czech Reform Experience in a Comparative Perspective* (Aldershot, Avebury, 1996).

exceptional achievement and, through them, Jiří Večerník stands as one of the great European sociologists in a tradition that goes back to Frédéric le Play. He set himself to record the Czech transition as fully and dispassionately as he could and has given his nation, and the rest of us, a chronicle of its development from the fall of Communism to the advent of the new world economic crisis in 2007-2008.

This project rests on a determined view about how that kind of task should be done. First, it should be done uncompromisingly through empirical analysis, with the use of masses of survey and census data and hard statistical techniques. These books are packed with tables, charts and regressions. In the most recent book, the appendix on data sources lists twelve major Czech and European data sets that the author has used for original analysis. Second, it should be done through analysis from below. This is flagged in the first book: “social institutions and political bodies are important actors in the socio-economic reconstruction and transformation. I propose, in addition, individuals and households as not negligible actors of the transformation, however inexperienced, dispersed and powerless they may seem”. Third, it should be done heavily through observation and with a very light hand on theory. Večerník *always* grounds his analyses in classical and modern theory, and eclectically, so drawing on economics and political science as much as on sociology, but *never* pronounces on factual matters through theory. And, finally, it should be done through the watchful eye of scepticism. This author is sceptical of theory, sceptical of the division of social science into disciplines, for all his empiricism sceptical of data and statistical analysis and, at the end of a twenty year project in which he has analyzed more data more carefully than any other sociologist I at least know of, sceptical of what can be drawn from it in the form of authoritative conclusions.

At the heart of the transition story as told by Večerník is the emergence of a capitalist labour market in which employers buy labour and workers sell it. That is brand new. The old regime had nothing like it. Employment then was obligatory and therefore also necessary. It was the basis of livelihood and of all rights, including social rights. There was no right to opt out and no freedom of choice in where to work. The result was the well-known communist regime of full employment and social security. Absence of prosperity and freedom was compensated for by presence of security.

Having to operate on a labour market, then, was a great challenge for workers who had long been accustomed to finding their place in a command economy, or was at least thought to be a great challenge. In

Večerník's first book, which covers the years up to 1995, this uncertainty is much in evidence, both in the survey material he analyses and in his own interpretations. But in the most recent book, there is not much left of it. Now we see labour markets that work pretty normally and workers who know their way around them. It did not take long and was not difficult for ordinary women and men to metamorphose from communist to capitalist workers.

One reason for this is a hidden continuity from the old regime. Although there was no formal labour market in the command economy, there were informal markets galore in which the currencies were bribery, exchange and connections. Such markets operated for labour, for housing and for a range of consumer goods. Even full employment was more formal than real. Some were excused from the duty to work for valid reasons, such as disability, but there were also some who, for a range of reasons, just dropped out and lived more or less underground and/or in hidden precariousness. We know very little about the extent of such exclusion under communism but no doubt many people at least knew someone who lived semi-legally from hand to mouth. With the emergence of a labour market came also a need for workers to work the market, but that was not much of a difficulty for people who had been used, day in and day out, to having to master informal and underground markets. In many ways, it made life easier. The capitalist labour market brought on open unemployment, but that was less of a change in reality than in formality. Legal unemployment is easier than illegal exclusion, certainly for the excluded but also for others who had to deal with it. I well remember a conversation with a social worker in Prague in the early 1990s, who explained the relief and progress she experienced in that it had become legal and above ground to help the destitute.

A labour market needs various structures of support around it and these have also emerged. First, labour market policies. Labour market participation has decreased slightly, mainly because of a higher uptake of education. There has been increasing labour mobility – a sign of workers actively working the market – but less geographical mobility than there “should” have been. This is not due to workers resisting but because it has been more difficult to get a flexible housing market to operate than a flexible labour market. New labour laws have been enacted, various normal mixed-economy employment action plans implemented, and new labour market institutions built up. Very early on, labour offices were established throughout the country which became quite effective in mediating job opportunities. Labour

productivity has increased by as much as an annual rate of 5 percent in recent years.

Secondly, a serviceable system of social security. The demand for social protection has remained high in the Czech population and has not been dented by individualistic values. Early governments were strong on free market rhetoric but cautious in action. The Czech welfare state has been more redesigned than rolled back. Open unemployment has reached a rate of up to about 6 percent for men and 10 percent for women, and has been responded to by necessity with unemployment compensation as a source of security for many families and a burden of expenditure on the state. The structure of welfare has shifted from employment based universality towards social insurance, means testing and last resort social assistance. Pensioners have done well from the transition – the proportion in risk of poverty is down from 36 percent in 1988 to 6 percent in 2004 – but not children, whose at-risk-of-poverty proportion is up from 3 to 16 percent in the same period.

Third, and crucially, education. In this post-communist society, education rapidly and dramatically became the engine of individual progress and of social division. The population responded to this new reality as quickly, and the demand for education is now ferocious. Young people stay in education longer and the demand for higher education is far higher than the system can deliver, at least to decent standards, notwithstanding a raft of enterprising institutions that call themselves private universities.

There, then, is the core of the new socio-economic regime: a labour market underpinned by reasonably functional arrangements of labour legislation and policy. A system of extensive social security to cushion the potential tensions on individuals of economic transition. An expansion of education, producing some measures of fairness and meritocracy in the distribution of rewards and burdens. The transformation from the command economy has been monumental but not chaotic. The labour market is not perfect, and nor are labour, social and educational policies. But there is coherence here. The old system is gone and went quickly; what has come in its place is no arbitrary patchwork but a new system that is logical and workable. People have mostly been carried along and have not been left behind or lost in transition and have not responded with helplessness to new life circumstances. What we see may well be revolution but not one that has overpowered the ordinary women and men who have lived through it.

The new regime has come with various consequences in social structure, some of which are genuinely new (*e.g.* the significance of education)

and some new in the sense that they have become recognized (*e.g.* poverty). The fact of open unemployment has already been mentioned, as has the de-linking of social security from occupational status. Where social security was previously said to be universal, it was still the law of the land that one who does not work shall not eat. If social security has now been shifted towards a “liberal welfare state regime”, it is also the case that social protection has become more responsive to needs.

The capitalist labour market has, not surprisingly, turned out to be more inegalitarian than the communist one, but not all that much. There has been an increase in earnings inequality in general, with earnings shares shifting upwards in favour of the better paid. However, from 1989 to 2006 the earnings share of the lowest decile of employees was down no more than from 4.7 to 4.2 percent and the decile ratio up no more than from 2.4 to 3.1. The most important change in the determination of wages is an increasing return to education, while the effect of gender on earnings has weakened sharply.

Increased inequality of earnings has followed through to more inequality in the distribution of income, but again not much more. From 1988 to 2004, the gini index for the distribution of disposable income between all households increased from .29 to .33, and most of that had already happened by 1992. The proportion of persons in relative income poverty, measured by the EU poverty line, was up from 7.5 in 1988 to 10.4 in 2004. There are probably more working poor, while relative income poverty among pensioners “was largely eradicated”. Czechoslovakia was a society of “extreme equality” in income and the Czech Republic is still decidedly on the egalitarian side in the European family.

If what is genuinely new is a labour market and its support system and what is somewhat new is inequality, there is also a great deal of expected newness that has not been forthcoming. In all these three books there is a relentless search for a new middle class, but not much has been found. There are obviously new entrepreneurs, but as yet not much evidence of an entrepreneurial class. Rather, “the main source of the ‘new’ middle class is higher education”. Furthermore, many members of this new middle class are to be found in public sector jobs. Remarkably, the capitalist state bureaucracy has dramatically outgrown the communist one, from 88,000 employees in 1989 to 300,000 in 2003, and the earnings advantage of public sector professionals over average earners increased.

Indeed, although the nature of the state has changed dramatically, there is also a conspicuous continuity in state-society relations. The

state has not faded away or been relegated to a secondary role or become subordinate to market institutions. Rather, the state remains the main organizing force in the post-communist society and state institutions the main source of national leadership. Neither labour nor business organizations have established themselves as forceful actors in socio-economic life.

Another search, which is also mainly in vain is for new values. There has been no transition from “communist man” to any kind of “new man”, mainly because the official ideology of collectivism never took hold in people’s hearts and minds so that there was no established communist worldview to be discarded. Attitudes to work, consumption, wealth, individualism, morality and so on are by and large stable or in slow movement, and do not form any extraordinary pattern in European comparison. The Czechs have enjoyed increasing affluence and now live much better than twenty years ago in terms of consumption, ownership of household durables, leisure, travel and cultural consumption. But they have not succumbed to any kind of fetishism of materialism or empty consumption. Among the many markets flourishing in response to vibrant demand is the market for literature. The number of books published has been growing continuously, notably in fiction and children’s literature.

After the fall of communism, there was much concern over what totalitarianism had done to people’s minds and how people so conditioned would be able to cope in a capitalist world. The fear was that people would find themselves thrown into a world of brutal competition for which they could not be prepared and that the transition would prove traumatic, resulting in perhaps a collapse of morality, rampant individualism and empty consumerism. There is, however, no evidence at all of any such trauma in the Czech transition. The state has retained control as the predominant societal actor. Social life has been protected against brutalisation by inequality or insecurity. Individuals have not lost grip over themselves but have remained level headed. Both private and social life has moved to becoming more open and less hypocritical. In a remarkable table, Večerník pulls together survey evidence on trends in tolerance of minority and deviant groups, which quite dramatically show a stronger “pro-inclusive climate in Czech society”.

What finally emerges from Jiří Večerník’s detailed and manifold analyses of policies, structures, inequalities and values in Czech society is a suggestion that, at least here and historically speaking, the experience of communist authoritarianism was not socially profound. It was

but a blip in history, nasty and unproductive while it lasted, but leaving few deep traces in people's minds or social organizations and easily discarded. The period from 1948 through the failed push for freedom in 1968 and on to the revolution – or we should perhaps say restoration? – of 1989 was unpleasant, to put it mildly, but not fundamentally distorting. These were wasted years, not formative years. The Czech Republic is not representative in East Central Europe or of former communist countries. It had a strong tradition in living memory to fall back on of national pride, autonomy, democracy and capitalism. Democratic governments of different political persuasions shared a cautious approach to transition and steered away from any big-bang experimentation. But here, it would appear, once authoritarian repression was lifted, people were able to shrug it off and to get on with life without allowing themselves to get stuck in a quagmire of bitterness or regret over what could have been or to succumb to nostalgia for the lost order. We are now a generation on. The wasted years were more a shame than a destruction. They have already been put aside as distant history.

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