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# 1

## The Spirit of Post-Socialism: 'What Is to Be Understood by It?'

*John Pickles*

In the title of this study is used the somewhat pretentious phrase, 'the spirit of capitalism'. What is to be understood by it?

If any object can be found to which this term can be applied with any understandable meaning, it can only be an historical individual, i.e., a complex of elements associated in historical reality which we unite into a conceptual whole from the standpoint of their cultural significance....

Such an historical concept, however, since it refers in its content to a phenomenon significant for its unique individuality ... must be gradually put together out of the individual parts which are taken from historical reality to make it up. Thus the final and definitive concept cannot stand at the beginning of the investigation, but must come at the end .... This is a necessary result of the nature of historical concepts which attempt for their methodological purposes not to grasp historical reality in abstract general formulae, but in concrete genetic sets of relations which are inevitably of a specifically unique and individual character.

Max Weber (1905)<sup>1</sup>

The habit of looking at the last ten thousand years as well as at the array of early societies as a mere prelude to the true history of our civilization which started approximately with the publication of the *Wealth of Nations* in 1776, is, to say the least, out of date.

Karl Polanyi (1944)<sup>2</sup>

## Introduction

*State and Society in Post-Socialist Economies* deals with the reform economies of post-socialist Europe and with the ways in which the various projects of communism that emerged across the region in the twentieth century have been and still are being dismantled and replaced by alternative visions, institutions and practices of capitalist market economies and democratic polities.

These transformations have now been underway for at least two decades and, in that time, the region has experienced several rounds of intense institutional rupture and reorganization. The complex structures of communism have been dismantled. Economies that collapsed are now being rebuilt. *Nomenklatura* power has morphed into or given way to democracy movements, diverse practices of civil society, new economic elite formations and new configurations of class, gender and interest. Massive economic recession has further opened sectors of the economy to rapid internationalization and, more recently, European Union accession and enlargement have enabled a relatively painless integration of many Central and Southeast European countries into the wider regional economies of Europe.

1989 remains an important marker of these transformations; a ruptural moment that has shaped so much thinking about state socialism and post-socialism.<sup>3</sup> The ‘transitology’ that emerged with the ending of communism was a kind of global dream that shaped post-socialist realities in very specific ways.<sup>4</sup> Throughout the 1980s, individualistic and anti-bureaucratic theories of Hayekian neoliberalism had played a prominent role in shaping the thinking of the anti-communist opposition. Consequently, transition theorists, political leaders and policy-makers throughout the region were already predisposed to thinking of post-socialism as a process of economic convergence toward a natural market economy and a political return to Europe. For many in the region, Milton Friedman typified this public role of Hayekian neoliberal thought. As Larry Summers wrote in his 2006 *The New York Times* obituary for Friedman: ‘Ask reformers in any one of the countries behind what we used to call the Iron Curtain where they learned to contemplate alternatives to communism during the closed era before the Berlin Wall fell and they will often tell you about reading Milton Friedman and realizing how different their world could be.’<sup>5</sup>

This form of transitology was also, of course, a kind of return to the modernization theories of the 1960s in which ‘transition’ was interpreted to be part of an inexorable global developmental continuum

which was flattening the earth and subsuming cultural and regional differences. In this global dream, indigenous belief systems, religious, ethnic, linguistic and cultural identity claims were interpreted to be parochial obstacles to effective liberalization and democratization, to be 'swept away by trans-national forces of modernization, secularization and the ultimate triumph of a free enterprise-driven global economy'.<sup>6</sup> By contrast, the institutions, values and practices of Western political economy were assumed to be universal, superior and hence the only feasible alternative.<sup>7</sup>

Other scholars and policy-makers struggled to contrast theories of modernization and convergence with alternative models of economic transformation.<sup>8</sup> Rudolf Tökés has referred to these modernization logics as 'synthetic overviews', exemplified by Samuel Huntington's *The Third Wave*, in which Huntington treats the collapse of communist regimes as part of a global scheme of 'waves of democratization'.<sup>9</sup> An alternative reading is given by what he calls 'ambitious South-East "transitology" studies'. This approach attempts to understand Soviet and East European political and economic outcomes in terms that marked the end of authoritarian rule in other parts of the world, particularly in Latin America and Southern Europe. Others focus more directly on specific pathways of development within the post-socialist world, developing comparative analyses of 'varieties of capitalism' across the region.<sup>10</sup> Finally, Tökés identifies the work of mainly younger social scientists whose focus is less concerned with the general, analytical categories of abstraction and analysis that typify these first three approaches, and instead is 'seeking to make distinctions between generic and unique factors in pre- and post-Communist contexts that contributed to the fall of the old regimes'.

The chapters in *State and Society in Post-Socialist Economies* draw on several of these traditions of writing, but as a whole the collection also aims to contribute to this last goal of mediating the general and the unique drivers of post-socialist transformation. It deals with these themes of transformation in three ways. First, the volume deals with the changing patterns of economic governance. In so doing, it attempts to take seriously the specificities of individual and regional economic practices and the concrete conditions in which specific forms of governance emerge and are sustained. Second, all the chapters exemplify forms of grounded theory that attempt – each in its own way – to avoid inscribing a standard set of assumptions about how post-socialism works. Instead, each chapter focuses on the concrete actors and relations that are shaping the kinds of market

institutions that are being composed and recomposed in 'transitional' economies. Thus, instead of an attempt to define the how each case approximates what Weber called 'a final and definitive concept' of what a market economy is or should be, the author of each chapter seeks to show the actual effects of specific practices, institutions and actors in their complex social and institutional settings and geographies. Third, this volume draws on the research and writing of scholars working on or from the region who are engaged in this rethinking of economic governance, including authors from the EU, Central and Eastern Europe, Russia, the US and Japan.<sup>11</sup> In recent years, a great deal of attention has been paid to the changing practices of economic governance in post-socialist Europe and this has been stimulated further by EU enlargement and its consequences for the wider economic policies of the region.<sup>12</sup> The diversity of the authors' scholarly and national backgrounds further exemplifies the multivariate nature of post-socialist transformations.

In addressing the diverse forms of economic governance in post-socialist societies, *State and Society in Post-Socialist Economies* also focuses on the dialectic between market harmonization and economic regional differentiation. In so doing, it pays particular attention to the roles played by state and non-state actors in shaping these outcomes. For the regulation theorist Alain Lipietz, these complex interbedded processes of economic change and social and political regulation produced what he has called 'chance stabilizations'; differentiated regimes of accumulation with corresponding modes of social regulation and norms of social consumption that are both converging with broader patterns of political economy in and across Europe, but are also quite distinct in their details, forms and practices.<sup>13</sup> While for some these details may be dismissed as residual forms that will pass away or may be interpreted as barriers to normalization that need to be addressed, for Lipietz and the authors in this volume these specificities matter. How we answer Weber's question of what we understand by 'the spirit of capitalism' requires grounded explanations of this double movement of simultaneously occurring processes of institutional convergence and concrete specificities that shape diverse and complex social and regional differences. Post-socialism is being produced by these dialectics of globalization and localism, by what Grabher and Stark have referred to as the *legacies*, *linkages* and *localities* of post-socialist transformation.<sup>14</sup> In this sense, the book contributes to what I refer to below as 'fourth wave transition studies', and it is to these that I now turn.

#### **Fourth wave transition studies and the role of society in economic regulation**

In what we might think of as first wave transition studies, the political economy of post-socialism was marked most clearly by the wholesale acceptance of policy programs involving political and economic liberalization, privatization and institutional reform (particularly through shock therapy and structural adjustment). Scholarly and policy research centred around neoclassical economics, reform was institutionally led often by major transnational actors such as the European Bank for Reconstruction and Development, the IMF, and the World Bank, and attempts were made to apply economic reforms wholesale and quickly across the region.

In the second wave, and partly as a consequence of the combined effects of legacies of rigid bureaucratic planning structures and the devastating consequences of economic globalization, countries across the region experienced intense economic recessions in virtually every sector of the economy. The result was a scale of economic collapse that was deeper and longer lasting than had occurred in the Great Depression of the 1920s–30s. During this phase, scholarly and policy writing focused increasingly on social inequality, access to state disbursements and the needs for investments in social capital to facilitate the transition to an effective liberal market economy.

In the third wave of transition studies, the devaluation of capital stock and the rush to dispose of assets on national and world markets resulted in a rapid increase in foreign direct investment (FDI), particularly into the more resource-rich economies of Central Europe. FDI brought with it changes in managerial skills, harmonization of finance and banking procedures and many opportunities for technically trained and bilingual entrepreneurs. Aggregate gross output and living standards increased, while geographically and socially uneven development deepened or became more visible. Scholarly and policy writing was heavily focused on lead sectors of industry, on policies of harmonization and economic integration and on regional analyses of political ‘successes’ (Central Europe) and ‘laggards’ (Southeastern and Eastern Europe).

In what I am here referring to as the fourth wave of transition studies, the flourishing of regional economies in Central Europe was helped by accession agreements with the European Union, and this in turn exacerbated the regionally differentiated nature of economic and political reforms. War in the Balkans was paralleled by integration of

production and banking systems in Poland, Hungary and the Czech Republic, by financial crisis and ongoing economic decline in Bulgaria and Romania and by political struggle for control over the Russian state. Thus, through the late 1990s to the present, perhaps one overriding characteristic of economic life across the region has been the emergence of different governance regimes: the return of an oligarchic, bureaucratic centralism in Russia, the vigorously liberal regimes and open economies of countries like Slovakia, the resurgence of reformed socialist and social democratic parties in Central Europe and the unstable political alliances and stop-start economic reforms of countries like Bulgaria and Romania. These patterns of political economic transformation have become clearer in recent years and, not surprisingly, they have generated tendencies among scholars and policy-makers to think much more seriously about the ways in which the economy is structured by historical legacies, social practices and cultural norms.

At the heart of this 'fourth wave' is a questioning of the logics and theories of 'transition studies' themselves, an attempt to think outside of modernist logics of linear transformations and the centrality they have accorded to the mechanisms of markets, liberalization and liberal politics for the social re-engineering of the post-socialist economy. From the side of cultural studies, social theory, poststructuralism and post-colonialism, contemporary social sciences are now suspicious of the use of meta-narratives to explain social and economic processes, and political economy itself has developed a thorough-going critique of transitology and the logics of reform via the technologies of international financial institutions (IFIs). In their place have emerged new forms of regional economic analysis that seek to more fully integrate the role played by the concrete specificities of state rule and economic practice, and to do so in much more complex and contingent ways.<sup>15</sup> The recombinant forms of rule emerging in post-socialist societies thus require that we pay much more attention to the specificities of daily practice, the concrete logics of institutional norms and the diverse forms that are generated in the struggle over the allocation of social surplus. This fourth wave of transition studies thus interrogates the complexities of the social economy, its historical legacies, the ways in which it is recomposing social and class relations and the resulting recombinant and hybrid forms of regional, national and transnational systems of governance that now shape the diverse economies of the region.

## The chapters

*State and Society in Post-Socialist Economies* comprises twelve original essays by authors from Western, Central and Eastern Europe, Russia, the US and Japan who have been shaping recent debates about economic governance, regime theory and the various roles played by state and society in the transformation of post-socialist economies. It takes as its central concern the important relationships between the state and society in shaping the nature of economic lives and practices in post-socialist and post-soviet regions. As a whole, the collection illustrates some of the key ways in which scholarly disciplines and policy fields have attempted to address post-socialist economic regimes and governance systems.

Part 1 deals with the emergence of overlapping and diverse governance regimes and the importance of understanding economic reform in terms of differentiated forms of capitalist development. The chapters address the ways in which these regimes and varieties of capitalism have produced differentiated economic outcomes and experiences across the region. Béla Greskovits provides a detailed assessment of country- and sector-specific indices of production and significance, demonstrating the value of a 'varieties of capitalism' approach for regional economic analysis. His analysis focuses on the emerging socio-economic regimes of the ten Eastern European Member and Candidate States of the EU and poses three important questions. What is the pattern that these new capitalisms exhibit? Which factors account for the emergence of variation? What are the implications for social conditions, macroeconomic stability and developmental prospects? The chapter traces the legacies of state socialism, the market reforms of the 1990s and the location decisions of transnational corporations. These factors led to varied types of integration into global and European systems of production via particular leading export sectors that produced specific transnational varieties of capitalism in Eastern Europe.

Arjan Vliegthart turns to the role of transnational actors in shaping the structures of corporate governance in Central and Eastern Europe. He focuses particularly on the role of the EU in the reforms in the Czech Republic. While much of the varieties of capitalism literature focuses on two primary types of economic governance in the region, either the Anglo-Saxon or the continental European model of corporate governance, Vliegthart suggests that in Central and Eastern Europe we are not seeing convergence around either one of these models. Instead, he

suggests, a specific type of capitalism is emerging. Focusing on the crucial role foreign investment has played in Czech economic reforms, he argues that foreign banks and corporations now own a large part of the Czech economy, exerting enormous influence over its corporate governance and regulation. In this regard, the EU has been a particularly important transnational actor in securing the climate for foreign investment, particularly through its efforts to lock in newly established property rights through corporate governance regulation.

Drawing on the work of Bob Jessop and regulation and regime theory, Jan Drahekoupil continues this work by developing an interesting periodization of the dominant state accumulation strategies in Central and Eastern Europe in the late 1990s. He documents how the crisis of what he calls the Klausian welfare national state emerged in the 1990s because of its dual commitment to neo-liberal reforms while fostering growth based on Czech national capitalism. This crisis has led to the emergence of an alternative regime, which he describes as the Porterian workfare postnational regime, aimed at attracting foreign capital to upgrade industry. This marks a moment of renewed convergence among the Visegrad-Four countries, each of which is now adopting this kind of development strategy.

Focusing more directly on patterns of corporate governance and drawing on surveys and in-depth interviews with managers and owners of Russian joint-stock companies between 1999 and 2005, Tatiana Dolgopyatova turns to the emergence of micro-models of corporate control in Russian companies. She shows how the adoption of new business practices has promoted the gradual separation of ownership and operational management, and how demands for institutional reform were used by shareholders to extend their control over the management of companies. The result has been a shift in the pattern of corporate governance from one based on the redistribution of corporate stock and the dispersal of employee property through voucher privatization to one with highly concentrated corporate ownership and insider control by dominant owners who participate directly in management or closely oversee hired managers.

Satoshi Mizobata extends Dolgopyatova's analysis of Russian corporate governance by focusing on the combined features of normalization and preservation in Russian businesses since the 1998 financial crisis. He pays particular attention to the simultaneous trends in enterprise restructuring and the impact of EU enlargement, suggesting that, while Russian corporate governance superficially appears to parallel similar forms in EU-oriented and globally oriented businesses, in practice

Russian governance models exhibit quite different features that continue to be influenced in important ways by the interests of specific institutional stakeholders and the specificities of Russian historical and cultural formations.

In Part 2 authors provide specific analyses of the role of state institutions and regulations in shaping social and economic outcomes. Here, state and society are interrogated for the ways in which they shape specific forms of economic regime and form of governance. Kiryl Haiduk focuses on the role of state institutions and social practices in shaping labour relations and reforms in Belarus, arguing that labour remains one of the key drivers of economic governance and institutional reform. By focusing on employment practices, wage-setting procedures and differential access in decision-making, the author argues that the dynamics of labour struggles and negotiation remain an important element in understanding the differentiated nature of economic practice in specific enterprises and sectors of the economy.

Haiduk begins by analysing the debates in contemporary political economy about the origins and dynamics of specific paths of development, contrasting a Keynesian Western European model with a Southern European authoritarian model. Within the Western European model, he distinguished between two specific forms. The first is the 'minimalist' Anglo-American model with its commitment to a liberal market economy. The second is the Continental European model of Germany and Sweden, for example, with their commitment to strong 'social partnership' and coordinated market economies. Haiduk argues that post-war Keynesianism in Western Europe did not depend on the use of government to direct decisions made in the private sector, but instead was based on social democracy as a medium of such policies. By contrast, in Southern Europe the state did act to direct public and private investments in specific ways. Consequently, prior to becoming EU members the Southern European states were characterized by less established mechanisms of social compromise and intense inequality in the distribution of wealth and incomes, characteristics that meant that social confrontation was an always present threat. This confrontation might cause social upheavals and strikes in a climate of uncertainty and unrest. The latter could be 'cooled down' by various means, from the populist-authoritarian methods of a Latin American type to the social-democratic methods of a Western European type. However, in the Southern European authoritarian states it was the absence of a considerable middle class, on the basis of which social democracy could be

mobilized politically, that prevented alternatives to authoritarian orders emerging in Southern Europe. Here, macroeconomic regulation of demand had been embodied in a system of state corporatism that functioned by interest mediation and manipulation. Any 'genuine' Western European type of social compromise was very difficult under these circumstances.

Massimo Congiu draws on his experience as a journalist of trade union reform to illustrate the consequences of these conditions in terms of the challenges facing organized labour as market liberalization and the withdrawal of the state from direct control over the economy occurred after 1989. His chapter focuses on the broader consequences of EU membership for organized labour and trade union representation in the new member states. With changes in lead sectors within the economy and corresponding transformations in labour markets, trade unions are now struggling to redefine their role in these countries and they are doing so in an EU context in which social and market models of economic growth continue to be debated and where – at least in the more social democratic states – union membership has stabilized or is again increasing. The chapter documents changing patterns and consequences for organized labour of economic integration, foreign ownership and GDP growth across the region and assesses the likely consequences of membership in the European Union. It concludes with an assessment of two models of trade unionism corresponding to the two broad models of the EU: a social model and a market model.

While Congiu focuses on the effects on organization of labour movements across the region, Kristen Ghodsee turns to the impact of the collapse of communism on Bulgarian employees as they struggled to navigate the new rules in a labour market where the state no longer guaranteed full employment to all citizens. Ghodsee shows how privatization of the tourist industry and the introduction of domestic and international competition to once monopolistic enterprises had unexpected consequences for women employed in the industry. Contrary to the experience of women in many other important sectors in the post-communist economy, she shows that a large group of women benefited from the privatization and globalization of the industry because they were able to mobilize the education, skills and experience they had received before 1989 in the changed conditions after 1989. Moreover, state regulations regarding the management of hotels and restaurants after 1989 inadvertently favoured these women by requiring certain minimum levels of education to work in professional positions

in the sector, types and levels of education and training that were disproportionately female before 1989.

The roles played by institutional and economic legacies of state socialism after 1989 are also the focus of the two chapters on the political economy of environmental reform by Jurgita Maciulyte and Sandrine Devaux. In dealing with Lithuania, Maciulyte demonstrates that the socioeconomic divisions between urban and rural areas that deepened in the USSR have persisted since independence and continue to shape the implementation of EU environmental legislation, the successes of ecological reform and the quality of lives in different places. The environmental governance regimes resulting from preparation for EU accession have been and continue to be shaped by the differential geographies of urban and rural legacies of the Soviet period.

In her study of environmental activism in the Czech Republic, Sandrine Devaux similarly traces the significance of pre-1989 social and institutional investments in shaping post-1989 environmental politics. Rejecting the epochal significance of 1989 as a break from command to market economies and from authoritarianism to democracy, she develops instead an institutional and historical analysis of the ways in which the Czech ecological movement emerged *in and through* the institutions created by communist governments as they attempted to forge conservative ideologies of environmental conservation and nature awareness. Devaux traces the histories of institutional investment in nature and ideological awareness as part of a broader national consciousness through the work of biology and geography departments in the Academy of Sciences to state management institutions, showing how each operated as a kind of 'incubator' for gradually more radical forms of political and ecological activism. What Pavlinek and Pickles (2000) had earlier called the politics of ecological defence here similarly emerges in and through the institutions, preparing the ground for what emerged in 1989 as a broadly based and institutionally secure environmental movement.<sup>16</sup> Institutional investments by the state, the need for trained professionals in the service of the state and the growing importance of a national (including Soviet) model of nature appreciation and preservation all served in this way as crucial legacies and resources through which Western standards of economic and environmental regulation were mobilized to oppose the structure and practices of the central state.

The book concludes with a chapter by Åse Berit Grødeland that deals with the ways in which the negative consequences of reform and the opportunity structures it has created have similarly encouraged

individuals and groups to work in and through informal social 'networks' and personal 'contacts' to help each other (often to achieve their legal rights), to derive economic or political benefit (often in the absence of effective institutional development), and to consolidate interpersonal and group obligations. Grødeland draws on interviews carried out as part of a three-year project investigating informal relations in politics, the judiciary and in public procurement practices in the Czech Republic, Slovenia, Bulgaria and Romania, and focuses on how such relations, networks and contacts are used to specific ends as forms of social capital. Here Grødeland extends a line of interesting research on the social dynamics of informality that has emerged in recent years, often dealing with grey, shadow or illegal economic networks, but also with the important political and economic roles of economies 'beyond the economy', or what elsewhere have been called informal economies, the economy of jars or economies of influence and reciprocity. These include accounts of non-monetarized exchange systems, economies of reciprocity, remittance-based economies and household economies.<sup>17</sup> But in this chapter he asks: (a) whether the 'culture of informality' has evolved in response to transition and the problems caused by it, or whether it has its roots in pre-transition political culture, and (b) whether – if the 'culture of informality' is a response to transition – is it less extensive in countries that have joined the EU in 2004 and fully implemented the *acquis communautaire* (here the Czech Republic and Slovenia) than it is in the new member states Bulgaria and Romania?<sup>18</sup> Surprisingly, the use and density of informal practices seem not to be related to the level of institutional reform in a country, although the types of informal requests being made are. Perhaps even more surprising is that many of the efforts to mobilize social contacts and informal networks seem to be directed at obtaining information or rights that are legally available to citizens, but about which they know little. Moreover, these typically mobilize the same contacts and networks that people used under communism, and again mainly to deal with mundane everyday needs and tasks rather than more significant political and economic 'favours'.

In one way or another, all the chapters show that political and economic practices are highly diverse, operating in the most quotidian of ways. Sometimes these seek to circumvent legal practices and institutional norms (such as with corruption) and sometimes they are part of a complex set of social adjustments that enable the institutions to operate at all. The former practices of corruption have become crucial challenges to reform societies and their economies, particularly as what David Harvey has called 'accumulation by dispossession' has been enabled by

institutional upheaval, elite transformation and – in some cases – by war. In these cases, informal practices may have destabilizing political and economic effects. As a result, they have been the focus of much international policy concern and attention. But in a broader sense – as Grødeland shows clearly – the significance of the broader practices of informality that sustained (or, as Gerald Creed has suggested, domesticated) communism are now being reworked at all levels to domesticate the institutions and practices of capitalism.<sup>19</sup>

## Conclusion

I began this chapter with Max Weber's and Karl Polanyi's reflections on the question of what we are to understand by the 'spirit of capitalism' because, in many ways, Weber's and Polanyi's concerns are our own. What precisely is to be understood by capitalism? How are we best to approach this question in a region in which the struggles to reorder collectivist economies along more liberal lines have been so contested, across which they have produced so broad a diversity of social and regional consequences, and in which patterns of institutional convergence and divergence continue to change the form and significance of the state and other forms of social practice and regulation?

As Weber stresses, these questions necessitate that we attempt 'not to grasp historical reality in abstract general formulae, but in concrete genetic sets of relations which are inevitably of a specifically unique and individual character'. Polanyi is more direct; the modernist model of transition to capitalism as the unfolding of some kind of historical destiny or necessary evolution of economic principles is simply out-of-date. Instead of understanding economic development as a universal path of history (itself a parochial European project),<sup>20</sup> Polanyi draws our attention to the socially contested nature of economic practices, to what he calls their 'double movement' through which social and institutional struggles to territorialize the economy and homogenize political rule always generate their own counter-movements of dissidence and divergence.<sup>21</sup>

All the investigations in this volume problematize – to varying degrees – modernist notions of post-communist transitions, focusing instead on the concrete forms and practices of transformation and adjustment through which struggles over economic governance and the distribution of social surplus are actually occurring. Thus, one way of understanding the 'spirit of post-socialist capitalisms' is in terms of this restless double movement of the economy and the complex forms

and practices it generates, be they found in competition among leading and lagging sectors of industry, institutionalization of the state and modes of social regulation, foreign direct investment and transnational actors, corporate governance, organized labour, environment and economy, gendered transitions or informal economic and political practices. From their own specific theoretical perspective, each of these chapters helps us answer Weber's challenge about how we are to understand capitalism – or, in our case, how we are to understand post-socialist capitalisms – which 'attempt for their methodological purposes not to grasp historical reality in abstract general formulae, but in concrete genetic sets of relations which are inevitably of a specifically unique and individual character'.

## Endnotes

1. Max Weber, 'Chapter 2. The Spirit of Capitalism', *The Protestant Ethic and the Spirit of Capitalism*, 1905, London: Routledge, 2001.
2. Karl Polanyi, *The Great Transformation*, New York: Rinehart & Company, 1944, p. 45.
3. For a review, see J. Pickles and A. Smith, eds, *Theorising Transition: The Political Economy of Postcommunist Transformation*, London and New York: Routledge, 1998.
4. R. L. Tökés, "'Transitology': Global Dreams and Post-Communist Realities", *Central Europe Review* 2(10), 13 March 2000, <http://www.ce-review.org/00/10/tokes10.html>. His comments are directed specifically to political science, but I think they can be usefully thought of more generally in terms of post-socialist transformation studies.
5. L. H. Summers, 'The Great Liberator', *The New York Times*, 19 November 2006. <http://gustavojalife.blogspot.com/2006/11/new-york-times-19-november-2006-great.html>
6. R. L. Tökés, 'Transitology', 2000, <http://www.ce-review.org/00/10/tokes10.html>.
7. This was, of course, what Francis Fukuyama saw as the moment at which history ended and the struggles over ideologies had been finally settled; liberal democracies and economies would now flourish in the absence of the threat of any return to state centrism and dreams of collective ownership (F. Fukuyama, *The End of History and the Last Man*, New York: Harper, 1993).
8. See, for example, R. L. Tökés, 'Transitology', 2000, <http://www.ce-review.org/00/10/tokes10.html>.
9. In *The Clash of Civilizations and the Remaking of World Order*, Huntington wrote:  
 It is my hypothesis that the fundamental source of conflict in this new world will not be primarily ideological or primarily economic. The great divisions among humankind and the dominating source of conflict will be cultural. Nation-states will remain the most powerful actors in world affairs, but the principal conflicts of global politics will occur between

- nations and groups of different civilizations. The clash of civilizations will dominate global politics. The fault lines between civilizations will be the battle lines of the future (New York: Simon and Schuster, 1996, p. 184).
10. See, for example, Lucien Cernat's *Europeanization, Varieties of Capitalism and Economic Performance in Central and Eastern Europe* (London: Palgrave, 2006) which is focused particularly on institutional variables and economic performance. Ekiert and Hanson develop a comparative approach to the social, cultural, and geographical constraints and opportunities facing post-communist reformers, but its primary focus is in mapping the ways in which post-communist societies have successfully institutionalized democratic politics and capitalist market economies (G. Ekiert and S. E. Hanson, eds, *Capitalism and Democracy in Central and Eastern Europe: Assessing the Legacy of Communist Rule*, Cambridge University Press, 2003).
  11. See also A. Seleny, *The Political Economy of State-Society Relations in Hungary and Poland: from Communism to the European Union* (Cambridge: Cambridge University Press, 2006). Several other works also deal with one or other aspect of economic governance and social transformation, but each also is more focused on specific economic policy implications, rather than on the analysis of the role of state and society in economic reform. An example is H. W. Hoen, ed., *Good Governance in Central and Eastern Europe: the Puzzle of Capitalism by Design* (London: Edward Elgar, 2001). From a more institutional perspective, J. Ahrens, *Governance and Economic Development: a Comparative Institutional Approach* (London: Edward Elgar, 2002) is focused directly on trying to identify ways of constructing effective market-enhancing governance structures and the necessary incentives for markets to operate. The World Bank Policy Research Dept, J. C. Brada, and I. Singh, *Corporate Governance in Central Eastern Europe: Case Studies of Firms in Transition* (New York: M. E. Sharpe, 1998), is another such volume, focused more directly on firm-level studies and microeconomic policies without the broader social and political economic contexts developed in this volume. Also see P. Cooke, P. Boekholt and F. Todling, *The Governance of Innovation in Europe: Regional Perspectives on Global Competitiveness* (New York: Continuum, 2000).
  12. If post-socialist integration into the global economy in 1989 was what Guy Standing has called the first technocratic revolution orchestrated by international financial institutions, 2004 perhaps marked the first bureaucratic revolution wrought through the accounting, monitoring and penalizing practices of the *acquis communautaire* and institutional harmonization. G. Standing, 'The babble of euphemisms: re-embedding social protection in 'transformed' labour markets', in A. Rainnie, A. Smith and A. Swain, eds, *Work, Employment and Transition: Restructuring Livelihoods in Post-Communism*, London and New York: Routledge, 2002, pp. 35–54.
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  15. J. Pickles and A. Smith, eds, *Theorizing Transition: The Political Economy of Postcommunist Transformations*, London and New York: Routledge, 1998.

16. P. Pavlinek and J. Pickles, *Environmental Transitions: Transformation and Ecological Defense in Central and Eastern Europe*, London and New York: Routledge, 2000.
17. See B. A. Cellarius, *In the Land of Orpheus: Rural Livelihoods and Nature Conservation in Postsocialist Bulgaria*, Madison: University of Wisconsin Press, 2004; G. Creed, *Domesticating Revolution: From Socialist Reform to Ambivalent Transition in a Bulgarian Village*, State College, PA.: The Pennsylvania State University Press, 1998; J. Pickles and A. Smith, eds, *Theorizing Transition: The Political Economy of Postcommunist Transformations*, London and New York: Routledge, 1998; A. Smith and A. Stenning, 'Beyond household economies: articulations and spaces of economic practice in post-socialism', *Progress in Human Geography*, 30(2), 2006, 190–213; and A. Smith, 'Informal work and the diverse economies of post-socialism', in E. Marcelli and C. Williams, eds, *The Informal Work of Developed Nations* (2007 forthcoming).
18. Å.B. Grødeland, 'Red Mobs', 'Yuppies', 'Lamb Heads' and Others: Contacts, Informal Networks and Politics in the Czech Republic, Slovenia, Bulgaria and Romania, *Europe-Asia Studies*, 59 (2), 2007, 217–52.
19. Every post-socialist citizen is aware of the significance of information and influence and the sheer necessity of mobilizing these contacts and informal networks in trying to be effective as a political or economic actor. See J. K. Gibson-Graham, *The End of Capitalism (as we know it): a feminist critique of political economy*, Oxford and New York: Blackwell, 1996; reprinted by the University of Minnesota Press, Minneapolis, 2006; A. Smith and A. Stenning, 'Beyond household economies: articulations and spaces of economic practice in post-socialism', *Progress in Human Geography*, 30(2), 2006, 190–213; A. Smith, 'Informal work and the diverse economies of post-socialism', in E. Marcelli and C. Williams, eds, *The Informal Work of Developed Nations* (2007 forthcoming).
20. For a parallel contemporary argument about the geographical specificity of universal Enlightenment claims to reason, see I. Buruma, *Murder in Amsterdam: the Death of Theo van Gogh and the Limits of Tolerance*, New York: Penguin Press, 2006.
21. I take the term 'territorialization of rule' from M. Biggs, 'Putting the state on the map: Cartography, Territory, and European State Formation', *Comparative Studies in Society and History*, 41(2), April 1999, 374–405.

# Index

## Introductory Note

References such as '178–9' indicate (not necessarily continuous) discussion of a topic across a range of pages. Wherever possible in the case of topics with many references, these have either been divided into sub-topics (indented below the main heading) or the most significant discussions of the topic are indicated by page numbers in bold.

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