

# **Interests and Politics in Post-Communist Society: Problems in the Transition in Eastern Europe**

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Post-communist society in Eastern Europe is emerging in a theoretical vacuum. Western scholars studied communist, or state socialist society primarily through a state-oriented perspective. This provided a nice counterpoint to the society-centered analyses of Western market societies, and thus fit in with prevailing political sentiments as well.

But how are we to study post-communist society? What are the relevant questions and categories? What aspects and features of these new systems are most important? If communist systems required statist models, does post-communist society call for society-centered models? This seems to be the assumption of much new thinking about post-communist Eastern Europe, but this paper will argue that the specificities of post-communist society will continue to make the state extremely strong and relevant for a long period of time. Moreover, post-communist society seems to be marked by a rather unique relationship between state and society, between politics and interests, that makes most society-centered models of politics, constructed as they were for market economies, particularly inappropriate. This paper attempts to uncover some of these specificities in order to help us understand how we might best think about politics in the post-communist societies now emerging. I conclude with a discussion of how the particular configuration of interests in post-communist society affects the desired transition to liberal democracy. Hopes for a successful transition come up against the paradox that, while all social groups say they support a liberal market economy, none of them (with the possible exception of the old nomenklatura) appears to have a clear interest in seeing one introduced. One of the chief problems of the transition, therefore, is the attempt to introduce a bourgeois economy without a bourgeois class. The contradictions involved in such an effort may yet drive a sizable number of people to favor a strong redistributive state once again.

This paper is mainly a series of reflections on this topic of interests and politics in post-communist Eastern Europe, most of them drawn from a recent research visit to the area (April to August 1990). I was persistently struck by the vast differences of East European "civil society"

from its counterpart in the West, something that does not seem to be fully recognized by most foreign observers of the transition in East Europe. This paper is an attempt to offer some ideas on how we can understand the peculiarities of post-communist civil society, and suggests in what ways those peculiarities affect political transition.

## **Paradigms of State and Civil Society**

The study of "really existing socialism" has been dominated by statist approaches, with theories of totalitarianism dominating the field. So state-centered was the approach that even the "interest group" arguments that appeared in the 1970s accepted that the state was both the creator of the specific groups as well as the arbiter of their claims. Early applications of corporatist theory to Eastern Europe focused only on state corporatism, as if it were obvious that no part of socialist society could be independent from the state. To be sure, an important group of scholars (and, even more so journalists and East European activists) emphasized the role of non-elites and of the struggle waged by citizens of state socialist systems for the building of independent civil society. In the end this group anticipated the developments of 1989 far better than those who focused on the state alone. Yet those who employed the civil society paradigm in the past used it to emphasize the importance of opposition tendencies in those systems to suggest how these systems would change. They did not use it to explain everyday politics of state socialism or how the system worked. The civil society paradigm was used to anticipate the future of state socialism, not to explain its present.

It seems, however, that nothing spoils like success. With revolutions having been made throughout Eastern Europe in the name of "civil society," and with the concept's key theoreticians such as Adam Michnik and Vaclav Havel coming to play such a crucial role in the contemporary state politics of their respective countries, the category of civil society has suddenly been thrust to the forefront of contemporary scholarly analysis. It is almost impossible to find a single article on contemporary Eastern Europe or even the Soviet Union that does not include a discussion of the "reemergence of civil society." One might get the impression from much recent writing that what has collapsed in Eastern Europe is not just communist party domination of the state but the state itself. Everyone pays homage to the "revitalized civil society" that is allegedly transforming stagnant statist systems into "democracies." The problem

is that smuggled into such comments is an assumption that the civil society emerging in post-communist society is essentially the same as the civil society that exists in market society.

For some there is undoubtedly a political agenda here. Just as the statist perspective of the past fit into the cold-war dichotomy of East vs. West, the present fascination with East European civil society fits suspiciously well into current arguments not only about the end of the cold war but about the "victory of the West" in that war and the consequent "end of history." Those who make such arguments want to assume that societal interests in Eastern Europe will produce the same kinds of outcomes produced by societal interests in the West, for this will prove that there are indeed laws of history-- and that they are on the side of capitalism, not communism. Other people look to East European civil society not in order to feel complacent about what exists in the West but with hopes that this vibrant new civil society can help revitalize a stagnant and decaying public life in the West. They too, however, share the view that civil society in market and in post-communist societies are essentially alike.

There is a tendency to think that now that the communists are out of power, the old state socialist systems can suddenly become democratic market societies (if they haven't already done so), thanks precisely to the revitalization of a civil society that has an interest, it is assumed, in bringing about this liberal market society. But is this really so? Is it the case that "civil society" has replaced the "state" as the relevant category of political analysis, and that political outcomes in Eastern Europe are now the product of competing societal interests rather than of decisions taken by the state authorities? The aims of this paper are to explore the issues of state and civil society, of politics and interests, in post-communist society, to show the ways in which post-communist civil society is radically different from civil society in an established capitalist market economy and to explore the implications of this for the transition to liberal democracy in post-communist states.

### **Civil Society in Post-Communist Society**

In light of the fact that the call for "reconstructing civil society" was the dominant slogan of the East European opposition that has now come to power, what is striking about the initial post-communist era is the remarkably small extent to which an independent civil society has actually been created. Given that previous attempts to organize independently were crushed by

force, it seemed natural to expect that if and when civic freedom was fully guaranteed, institutional representation for the different interests in civil society would develop rapidly. And yet it hasn't happened like that. In the first year after the communist parties were toppled in Eastern Europe, the political and social scene has for the most part been dominated by large movements that claim to represent "all of society." The differentiation and representation of particular interests has simply failed to occur. Social groups still seem to be attached to the state, to look to the state to defend their interests.

All of this cries out for an explanation, and the heart of that explanation, it seems to me, can be found in the nature of the state socialist system that shaped the particular groups that now occupy the stage in the post-communist era. The state socialist system created particular societal groups that were appropriate to a state socialist system. Because of the virtually complete ideological discrediting of that system, those particular interests convinced themselves that a "market economy," symbolizing the Western standard of living more than a specific form of social and economic organization, was the answer to their particular problems. When communist party rule was ended and the new governments began moving to a market economy, all the particular interests that existed in the past suddenly lost their cohesion. Workers don't know if it's in their interest to support a reform program that might cause them to lose their jobs: on the one hand, they don't want to be unemployed; on the other hand, they desire the better life that they are told (and convinced) a market reform program will make possible. Intellectuals know it is in their interest to have the intellectual freedom that comes from removing the state from the academy. When the state withdraws its long arm, however, it also takes away its fat pocketbook, and so intellectuals are divided on how far the removal of the state should actually go; that is, on where their interests actually lie. Farmers want the state to get out of their lives, to stop telling them what and how much to produce and to allow them to sell their produce freely on the market. When the government actually moves to implement a market economy, however, promoting a recession to counteract the hyperinflation that comes from eliminating state subsidies, commodity prices tend to plummet as demand drops off, and then the farmers come right back to the state to ask for the subsidies they didn't like in the past. They too are not quite sure where their new interests lie.

The social groups of post-communist society are therefore not able to play the role of self-confident particular interests that are at the heart of civil society in the West. This has

profound political implications. Perhaps most important, there is no direct connection between the new political parties, all of which support the transition to a market economy, and particular social interests. Political debate therefore becomes highly personalized. Moreover, lacking any solid social base, the new parties tend to appeal to "all of society," rather than to any particular group. In the context of a developed and prosperous market economy, this kind of "catchall" political organization is likely to promote considerable political stability. In an underdeveloped, non-market and undifferentiated economy, it retards the diversification of interests needed for successful liberalization and creates dangers of instability and stagnation. On the one hand, the lack of connection between parties and interests means that many people feel that they are not being represented at all, and are likely to stay out of electoral politics altogether, something we have already seen in the first free national elections in East Europe. (In Poland, only about 65% of the population participated in the parliamentary elections of 1989, while a staggeringly low 42% of the people turned out in the fully free local elections of May 1990.) Another danger stems from the collectivism inherent in any party that attempts to speak for the interests of "all of society," as most post-communist political parties in East Europe continue to do. For this inherent collectivism runs contrary to the calls for marketization and economic differentiation that all of the parties support. As people become aware that the rejection of communist policies does not lead to prosperity for all, the contradiction will damage either the liberal political consensus or the liberal economic consensus, and will severely test the current political will to implement the necessary economic reform. In the absence of economic reform, however, interests will remain undeveloped, mired in the ways of bygone state socialism, and the social basis for liberal democracy will continue to be missing.

Because interests in post-communist society are both weak and politically uncertain, there is likely to be considerable social pressure for the maintenance of a strong redistributive state. Thus, the particular organization of interests in state socialist society makes difficult the transition to a liberal market democracy.

The point about the weakness of interests in post-communist society seems to me a crucial one. We might formulate a proposition as follows: Because the interests that exist in post-communist society emerge from a state socialist framework that represses the development of autonomous classes and makes all groups dependent on the state, the organization of interests in post-communist society, where the principles of the old regime have been discredited, is

necessarily very weak. Social groups in post-communist society do not have a clear sense of what is in their interest and what is not.

### **The Social Basis of Liberalization**

Let me try to develop this point, and draw attention to some of its crucial political consequences, through a discussion of recent literature on the transition from authoritarianism to democracy. This literature, of course, deals mostly with the experiences of South America and Southern Europe. The natural tendency is to try to find commonalities between these experiences and the transition processes in Eastern Europe. In my view, there is not a great deal in common, precisely because of the different economic bases of authoritarianism (a market economy in South America and Southern Europe, a state socialist economy in Eastern Europe) and the consequent different organization of societal interests. Interest, of course, is the fundamental category of democratization. The overthrow of dictatorship constitutes a "transition to liberal democracy" if and when particular societal interests become able to launch their political parties and begin a campaign to win political power. Democratization is thus a process whereby societal interests can, through competitive elections, assume control of the state in order to make the state serve these particular interests.

The assumption here, of course, is that there are interests out there-- real, particular, independent societal interests, waiting for the chance to politically articulate their views and to use the state to implement these views. In political dictatorships with market economies, the assumption is appropriate, as the capitalist market economy itself creates the classes that have opposing interests regardless of the dictatorship. Indeed, in countries such as Spain or (to a lesser extent) Portugal, workers and industrialists each organized themselves independently during the period of dictatorship, and although they worked together for the overthrow of the common enemy, each had its own organization ready for political action, and its own program and philosophy ready for implementation, immediately after the demise of the dictatorship. The disappearance of the common enemy did not paralyze political life, as it has tended to do in Eastern Europe. Rather the end of the dictatorship began a period where the different interests could compete among themselves, democratically vying for popular support.

Democratization from state socialism works in very different ways. In state socialist society, there are no clearly defined societal interests waiting for the chance to capture the state. With only some exaggeration, one might say that there are no independent interests at all. The Leninist state prevents the formation of independent interests by nationalizing the entire economy, subordinating all citizens to the state. To be sure, different groups of citizens form loose organizations based on professional affiliation. Some of these were explicitly formed by the state and work closely with it, such as trade unions for workers or associations for writers. Other organizations were slightly more informal, and some scholars have seen these-- including groups of technocrats, military officers, economists, enterprise managers or party/state officials-- as the equivalent of Western interest groups. The difference is that none of these groups constitute independent interests that can form the basis of a party or program in a democratic future. On the contrary, all of these groups and associations are very much part of the state socialist system. Each recognizes the state as its sole life-support. Moreover, without that state, these groups have no natural rivalries among themselves. Each competes with each other only for a share of the pie distributed by the state. None of these groups inherently embody the desire for an alternative political system. None has a program to present when the dictatorship is overthrown. On the contrary, when the dictatorship is overthrown, these particular groups lose their very reason for being. The problem for constructing a democratic system in Eastern Europe is that no other particular groups exist.

Contrary to what many theorists of democratic transition tend to assume, therefore, interests do not simply exist "out there," waiting for the chance to politically articulate their own visions. Rather, interests are decisively shaped by the state, by the political and economic environments in which they take shape. We can perhaps understand this better through Claus Offe's useful distinction between "class organizations" and "policy-takers." The former include those organized groups that play a key role in shaping the economy through their role in the market, and that seek to influence the state to help the market position of their members. "Policy-takers," on the other hand, are those collectivities shaped not by the market but by the state. They seek to influence the state not in order to increase their market position, but because they have no leg to stand on outside of the state. "Class organizations" exist and have interests of their own outside of the state. "Policy-takers" do not exist as specific interest associations apart from the state. Both kinds of organizations are present in Western polities. There are class organizations

of labor and capital, and there are policy-takers such as taxpayer associations or local governments. In state socialist society, however, there is nothing else but "policy-takers." All social groups owe their existence to the state and all flourish or decline depending on the state's commitment to maintaining them. "Class organizations," in the absence of the state, fight it out among themselves. "Policy-takers" are entirely dependent on the state. In capitalist society, classes conflict against each other. Take away the authoritarian state, as in recent transitions in Southern Europe and Latin America, and the social classes are still in conflict. By nationalizing the entire economy, however, the communist parties in Eastern Europe really did "abolish classes." So take away the state in state socialist society, and you don't have natural conflicts between different social groups, you have the various groups looking around for a new state authority to carry out the economic redistribution that they have always relied on.

Here then is a fundamental danger to democratic transition. If there are no "class organizations" seeking to lay hold of the state in order to have the state serve its interests against the interests of other classes, and if all social groups are but "policy-takers" that owe their existence to the state, then it will be quite difficult to introduce the capitalist market economy that all groups in Eastern Europe say they support. In other words, everyone may desire a market economy, but no social group seems to have an interest in bringing one about. For each group has been shaped by a state that allowed no group other than the state to get in a position where it could dominate others. This contributed wonderfully to the collectivist flavor of the anti-communist revolutions of 1989, but is a difficult burden as each country embarks on the process of marketization. The irony of the transition to liberal democracy in Eastern Europe, therefore, is that it is being carried out in the name of a class that does not exist. (One new political party in Poland admits this openly. The Civic Movement for Democratic Action [ROAD] publicly says that it is a party of the "middle class," and then adds that its program is to create the conditions in which a middle class can arise!)

This is not the worst of the problems, however. If East European reformers were simply carrying out a program in the interests of a class that does not yet exist, the obstacles would be formidable but not insurmountable. After all, each person could hope and believe that he or she will land in this new bourgeois middle class. The real problem, however-- and one that all the East European countries are now facing-- is that there may already exist the embryo of a bourgeois class-in-formation. Unfortunately, this class-in-formation is none other than the old

communist nomenklatura. The problem, in other words-- and this is one more legacy from the old regime-- is that the one group most likely to take advantage of the new possibilities that come with liberalization and marketization is the one group with the least legitimacy to do so. Throughout Eastern Europe, there are stories of managers and directors and old party officials using their connections and their capital to lease firms, set up new companies and otherwise provide for themselves in the new economic environment: the so-called phenomenon of "spontaneous privatization." There is really nothing surprising about this behavior. After all, as the opposition itself has long noted, virtually no one in the past twenty years joined the communist party because they were "communists." People joined because the communist party was the only game in town, because they were looking out for themselves, and the way to do that in the old days was through the ruling party. They were, in other words, acting as rational economic actors would act, and they are simply continuing to do so today. (Some of course did join the Party for "better" reasons, because they saw something desirable and salvageable in the socialist legacy, or because they just wanted to make public life somewhat more livable. These "communists," however, are not the ones partaking in "spontaneous privatization" today.)

The paradox in Eastern Europe is that there was a collectivist revolution to bring about an individualist system. The market economy is being introduced today thanks to the victory of those oppositionists who have long embodied communitarian values. The oppositionists came to liberalism through their commitment to general principles such as the rule of law and freedom of speech, and only lately have they become economic liberals as well. Once these societies begin to implement liberal economic principles, however, they find that those communist functionaries who always opposed political liberalism in the past are the best equipped to take advantage of the new possibilities. This presents a profound dilemma to the new regimes: if they accept the embourgeoisment of the old elite, they run the risk of alienating the population and promoting the rise of a populist opposition that may still talk of the benefits of a liberal market economy (since almost everyone wants to believe that this will make them rich) but will come out strongly against the political principles of liberalism and raise the specter of a new authoritarianism to crush the remnants of the old regime. If they seek to prevent the old elite from taking part in the liberalized economy, they run the risk of squandering the chance of economic reform, since it is unclear where investment capital will come from if not from those who already have the money. Moreover, Western investment will certainly be scared off by any new attempts to repress

business interests, and will not be mollified by a claim that the repression was necessary only because the businessmen were communists. This dilemma is already being played out all across Eastern Europe, most acutely in Poland. When the Mazowiecki government declined to take action against the old elite just because some of its members were profiting in an era of general austerity, Lech Walesa began his campaign to become "president with an axe," promising to take action against the remnants of the old system and to rule by decree "if necessary." This then inspired the government to take a harder line against investment by members of the old apparatus, and to itself begin skimping on liberal procedures of parliamentary rule. (Already in the summer of 1990 the Mazowiecki government, for example, bypassed parliament in its measures on introducing religious education into the schools and restricting access to abortion.) Liberals defending the rights of all are accused by populists of sympathizing with the communists, and since this is a charge guaranteed to be fatal in elections, liberals find it increasingly hard to remain liberals.

Introducing a liberal democratic society in East Europe is thus likely to face very formidable obstacles. Liberals continually face the problem that market liberalism is widely perceived to represent the interests of the communists. This explains why many leading pro-market liberals in Eastern Europe are accused of being "leftists": their policies aid those in the old elite more than they aid "the people." This of course is true, but any market society is always a wager on the wealthy. The problem is that East Europeans, having made a collectivist revolution for a market economy, tend to want their capitalists to be collectivists, too. Yet outside of the unacceptable old elite, there is no social group, and certainly no other politically organized social group, that has a real interest in implementing a market economy. The only possibility seems to be the new private entrepreneurs, mostly petty traders, that are increasingly prominent everywhere in East Europe, especially in Poland. Yet even here there is conflict of interest. While these small entrepreneurs have an interest in seeing the establishment of the legal infrastructure of a market economy, many of them also have an interest in the continuation of the inefficient statist economy, for many profit precisely off statism's breakdowns, just as they did in the "second economy" of the past. In any case, this group remains, for the most part, politically unorganized.

This paper has attempted to focus on some of the specific problems facing democratic politics in Eastern Europe. It suggests that many of the problems facing East Europe today stem

from the nature of the organization of particular interests in state socialism, a framework that continues to influence politics in the postcommunist era as well. If democratization requires the existence of diverse social groups with a clear sense of interest, then it can probably be easier introduced where a market economy has already heightened popular awareness of interest. The state socialist system, by subordinating all citizens to the state, stifled the development of independent interest, thus promoting the perseverance of communitarian values even in a post-communist framework where people think they have abandoned communitarianism. In the end, the point is that civil society in post-communist society is vastly different from civil society in post-dictatorship market economies. We need to be sensitive to how the structure of civil society affects political choices. Then we can comprehend the enormous obstacles to a successful liberal transition in Eastern Europe.