TRANSITION AND STRATEGIES OF POLICY FORMATION

David Stark and László Bruszt: Postsocialist Pathways. Transforming Politics and Property in East Central Europe

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In contrast to the transition problematic... we see social change not as transition from one order to another but as transformation—rearrangements, reconfigurations, and recombinations that yield new interweavings of the multiple social logics that are a modern society.1

This book takes a truly innovative approach to the complex phenomenon of the East Central European transformation. This approach draws neither on a belief in the liberating effects of the spontaneous market nor on faith in the omnipotent state. Instead, it rests on the conviction that both the market and the state are embedded in a broader context of 'social networks', which are seen as a possible source of the transformation capacity of individual East Central European states (mainly East Germany, Hungary, and the Czech Republic). A collaboration between an American economic sociologist, David Stark of Columbia University, and a Hungarian political scientist, László Bruszt of the Central European University, the book presents an alternative view of the events which have shaped what we call the transformation of East Central Europe. Both authors have extensively published on issues connected with the problems of recombination of the social, political, and economic orders in Eastern Europe after the fall of communism. In fact, the first three chapters of the book appeared earlier as independent articles. The book won the 1999 Political Economy of the World System Book Award.

Since the fall of communism, Eastern Europe has undergone an unprecedented transformation which has brought about the simultaneous expansion of property as well as citizenship rights. This simultaneity of economic and political transformation (marketization and democratization) gives the East European transformation process a unique character. It may not be surprising, therefore, that it calls for new approaches.

According to Stark and Bruszt, basically two paths are available in the analysis of the events which have changed the countries of Eastern Europe. The first—neo-liberal—approach can be defined as 'the science of the not yet'. According to this view, what matters is the future. The goal is already available as an existing pattern (the market economy) and the only problem is the


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sequencing of measures taken to realize it. It is not important what is going on now; everything must be subjected to the teleological logic of transition from the socialist command economy to the capitalist market order. Therefore, all we have to do is to imitate the West and apply the blueprint offered by Western advisors. In contrast to this optimistic view, whose naivety resembles the heyday of the building of socialism, the opposite approach emphasizes the burden of the past. From this perspective, it is impossible to manage the simultaneous transformation of politics and the economy in Eastern Europe. "Whereas neoliberalism sees blueprints for the imitation of market institutions as the road to progress, the contrary view perceives the weight of the socialist past as so heavy that attempts at marketization and democratization become the path to retrogression" (p. 5).

The path chosen by Stark and Bruszt (the 'path dependency' approach) draws on neither the optimistic liberal approach nor the pessimistic cry for a return to authoritarianism. They recommend neither the free-market solution of the liberals nor the 'market Leninism' proposed by those unconvinced of the possibility of a simultaneous transformation of economy and politics. According to the proponents of the latter position, in order to establish a market proper, we would need not only a visible, but also a strong hand in the form of the state. As Stark and Bruszt say, in contrast to neo-liberals who are interested only in the future, they are interested in "what the past holds for the future" (p. 7). On the other hand, in contrast to the pessimists who understand the present as fully determined by the past, they see the past as providing "the institutional resources for change in the present" (p. 7). In this sense, transformation is taking on the shape of neither imitation (optimists) nor involution (pessimists), but is rather a recombination of the remains of the old order. The transformation is path-dependent, which means both that it is influenced by the legacies of the past and open to the possibilities of a new configuration of these legacies.

Moreover, Stark and Bruszt emphasize that the different paths of extrication from state socialism have shaped further differences in the social transformation of the Central European countries. The book compares the cases of East Germany, Hungary, and the Czech Republic as examples of different strategies for recombining property as well as political rights. According to Stark and Bruszt, there is no single transition from socialism to the market order: on the contrary, they continuously emphasize the plurality and diversity of paths from the old regimes that have, as a consequence, led to different types of institutional setting in different East Central European countries. Transformation paths always depend on particular institutional contexts, the symbolic significance attached to particular historical events (for example, '1968' in the Czech Republic and '1956' in Hungary), and on the identities of the political actors formed during the particular process of political struggle that marked the end of communism. The institutional framework—which is chosen as a distinct feature of the process of marketization, playing a decisive role in the privatization of state property—varies considerably between countries, and this fact to a great extent explains the diversity of postsocialist political changes.