

Introduction

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The social consequences of the transition are probably of major interest not only to those living in the transition countries. It is hard to overemphasize either the political implications, which go far beyond the boundaries of these countries, or the intrinsic interest of this “great transformation” for the social sciences. No wonder that there are already several major investigations mapping various aspects of the transition process. With R. Rose (Strathclyde University) as the principal researcher, the “New Democratic Barometer” was administered in three waves in 7, 10 and 13 transition countries, and altogether more than 60 surveys were carried out on such issues as demographic processes, survival strategies, or political values. A major survey of the Circulation of the Economic Elite and also of changing stratification was carried out in six countries in 1993/94, with Donald Treimann and Ivan Szelenyi as the principal researchers, since 1993, the Luxemburg Income Study East West project, with Tim Smeeding of Syracuse University as the principal researcher, has organized a series of workshops. Participants from about 10 countries dealt with such problems as income inequality, health and the environment (This work was essentially based on secondary analysis of existing data)

However, the comparative research known to us has not tried, as yet, to map in a complex way everyday processes, impact of the changes on ways of life, reactions to the new conditions, ways people try to cope with new challenges, difficulties adjusting to new institutions, or new values and ideologies.

The Institute for Human Sciences (IWM, Institut fuer die Wissenschaften von Menschen, Vienna) realised relatively early that this was a somewhat neglected field in comparative research. It started either to stimulate groups of researchers to turn to these issues, or helped the implementation of already existing research ideas. A complex project evolved out of these efforts under the acronym SOCO (Social Consequences of the Transformation). Part of the project consists of collecting a data base of various demographic, economic, and social processes. Another part is an original survey, the first results of which are presented here.

A summary of the main results

We would not, in an executive summary, be able to do justice to the wealth of information contained in the report. We will limit ourselves to highlighting some findings which seem to us particularly relevant, adding also some background information to our interpretation of the results.

One of the principal aims of the survey was to identify the winners and the losers of the transition. Initially, this could be done on the macro level, the regional or national levels. The transition is, obviously, from a dictatorial “state socialism” to democracy and a market economy. It also implies transition to a new society, one with a different, less stifled structure, and many other, more or less unexpected processes.

The gains in the sphere of politics, above all with respect to freedom, are spectacular. This is true even if the new freedoms have misfired in some countries. In the absence of institutions and traditions of conflict resolution, formerly repressed passions—be they nationalist or others—have exploded, leading to tragic civil wars in at least two countries. In many others, though, such as the Vyshegrad countries and the Baltic states, the pluralisation of political structure is on the way to consolidation or is already well established.

The transformation of the economic sphere has proved to be more difficult than expected. The simultaneous alteration of all economic institutions—of ownership and output structure, of switching from command to contract, forced co-operation to free competition—would have been

difficult whatever the conditions. It happened, however, during a world-wide economic recession and the heightening of international competition. One of the consequences was that the developed countries were so intent on preserving and improving their own position that the interest in preserving a global equilibrium, or at least of preventing a growing development gap between countries, fell out of sight. This gap is by far greater on the global level now than it ever was¹. The gulf between developed and developing countries is staggering: the magnitude is about 300-fold between the poorest and the richest country. But the distance is also large and growing between the first and what used to be the second world. The average per capita GDP is about USD 2,500 in the transition countries, against 21,000 in the 22 richest countries.

Instead of the economic and social convergence expected by many in previous decades, a complex, multi-faceted movement is taking place. Alongside increasing polarization of economic levels there are also tendencies of globalisation, including global issues, global movements, global organizations. This tendency seems to be particularly potent in the case of the economy: here, a supranational market is developing, complete with international and supranational agents. The second consequence for the transition countries stems from this: the global pressures for an “adjustment” to a new international scene have become very strong. They curtail the margin of freedom the new democracies have to look for relatively autonomous ways of development. These pressures are very different from the political dictates of the former Soviet Union, which required under duress alignment and “loyalty,” precluding genuine national independence. But, while less direct and less threatening, the new pressures also require compliance with rules and institutions may be at odds with more organic trends in these countries, as well as with popular expectations, wishes and values.

The transition everywhere was followed by serious economic troubles, decrease in production, unemployment, inflation, and so forth (Table Int.1.) These trends seem to have slowed down or even to have changed direction in recent years, at least as far as production is concerned. (East Germany is unfortunately missing in the table below. The fall of production was more spectacular there than elsewhere, but the take-off had already started in 1990. The employment crisis, however, is not resolved; unemployment was still on the rise in 1993.)

Table Int. 1.

Yearly percentage change in GDP and employment rates in the countries covered in the SOCO survey

Country	1990		1991		1992		1993	
	GDP	Empl.	GDP	Empl.	GDP	Empl.	GDP	Empl.
Czech R.	-1.2	-1.0	-14.2	-5.4	-6.6	-2.6	-0.3	0.1
Hungary	-3.5	-3.1	-11.9	-9.6	-5.0	-9.3	-2.3	-5.9
Poland	-11.6	-4.0	-7.0	-5.9	2.6	-4.2	3.8	-0.6
Slovakia	-2.5	-0.8	-14.0	-7.9	-7.0	-5.3	-4.1	-0.4

Source: World Employment 1995, ILO, Geneva 1995. pp. 107, 109.

¹The Earth now has 5.4 billion inhabitants.

- 3.1 billion, close to 60% of mankind, live in the 40 poorest countries, with a per capita GDP of USD 350 a year (only around USD 100 in Mozambique, Tanzania and Ethiopia);

- 1.4 billion, around 26% live in the 62 middle-income countries with a per capita GDP between USD 700 and 7000; and

- 0.8 billion, 15% in the 22 richest countries. In the last group, the average per capita GDP is USD 21,000, with Switzerland at the top, having USD 33,600 per head per year (World Development Report. UN.1993).

The hardships have not been adequately mitigated by social and political measures within the countries, and western help, so strongly expected, did not actually materialize. Indeed, soon after the transition, the governments of the G-24 countries committed themselves to 62 billion USD of support for the transition countries in the Central-Eastern European region for 1990-1994. At the end of 1993, only 11 billion of this sum had been effectively transferred, a total that reaches 19 billion if one includes the annulled Polish debts. Private capital did not take the place of lacking help from states. In 1993, the average sum of foreign private capital accruing in the four countries under consideration was around 30 USD per head, while in former East Germany it was 5900 USD, or 200 times more (Berend, 1995). The economic gap appears to be growing inexorably, particularly in those countries in which formerly contracted foreign debt absorbs the surplus of an eventual increase in production (The Czech Republic, which did not inherit any debt, is in a better position than others). These figures explain why our sample of five countries consists of four countries that form a sort of cluster, while in the fifth—the eastern part of Germany— many factors operate in a different way.

Of the more unexpected consequences one has to mention the human or demographic dimension. In one of the studies dealing with the aftermath of the transition, it is stated that “The mortality and health crisis burdening most Eastern European countries since 1989 is without precedent in the peacetime history of Europe in this century. It signals a societal crisis of unexpected proportions, unknown implications and uncertain solutions” (Cornia in UNICEF, 1994, p.V.). One tragic sign is the excess mortality of about 800,000 people, with the highest increase in mortality recorded for male adults in the 20-59 age group. There is a general decrease in fertility and marriage rates, which is particularly dramatic in (former East) Germany for reasons that are not very well understood. (See Table Int. 2) The causes are manifold. Over and above widespread impoverishment (absent in Germany), increased uncertainty about the present, and especially about the future, which is conducive to stress or anxiety, may be of major importance.

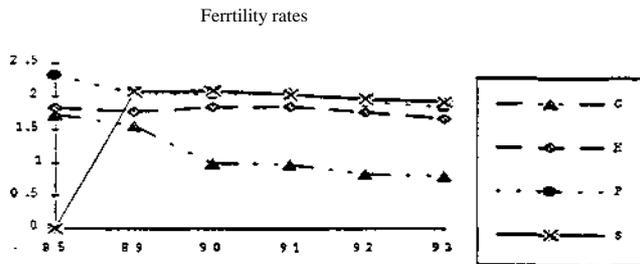
Table Int. 2.

Fertility rates

(Number of children per woman)

	1985	1989	1990	1991	1992	1993
Bulgaria	1.95	1.90	1.81	1.65	1.54	1.45
Czech R.	2.06	1.87	1.89	1.86	*	*
East Germany	1.73	1.57	1.00	0.98	0.83	0.80
Hungary	1.83	1.78	1.84	1.86	1.77	1.68
Poland	2.33	2.05	2.04	2.05	1.93	1.85
Romania	2.26	1.92	1.83	1.56	1.52	1.44
Russia	2.05	2.01	1.89	1.75	1.55	*
Slovakia	*	2.08	2.09	2.04	1.97	1.93

Source: B. Nauck and M. Joos, 1995.



The identification of winners and losers within the countries is also of major importance. The results, couched in sociological terminology, are not unexpected. In all these countries an upper class has emerged that has a dual character. It partly consists of the new entrepreneurs, partly the high-level managers and professionals in economics and politics, in private and public sectors alike. Many of those belonging to this group had belonged to former ruling strata. However, the structural conditions that shape them—which now include ownership, marketable skills and the like, all established in a politically legitimate way—are different from the past. This new class has profited everywhere (maybe less in Germany than elsewhere) from the privatization of previously nationalized capital, and from the new opportunities offered either by the market or by a more legitimate state. (In many countries the difference between the official salaries of high level state functionaries and of the rank and file has multiplied.) Predictably, the losers, who number between 30 and 60 per cent of the total population, depending on the variable analyzed, are those who are low on all types of capital—economic, cultural, social, psychological or other. They were probably never among the best off, but in the former system most of them had gained existential security and some sort of, perhaps token, self-esteem. (This is to some extent true even for the Roma population.) More concretely, among the losers we find the unemployed, even if there are decent unemployment benefits, which is true only for Germany; many of the unskilled or semi-skilled; in some countries, village-dwellers (peasants); families with children, who are losing some family benefits and child-care services; as a result, some women; and so forth

The overall feeling of gain or loss may be represented with the proportion of those experiencing deterioration or improvement throughout various periods from before the war up to the present². As will be shown later in more detail (especially in Chapters 1 and 2), in the eighties, the proportion from all households of those feeling a gain since before the war formed an absolute majority in each country. In three countries, the rate of those experiencing deterioration in their personal position since the transition outnumbers by 2.5 to 5 the rate of those experiencing improvement. The main positive exception is Germany, where winners outnumber losers, and, to a lesser extent, the Czech Republic, where the two ratios are similar. All in all, though, and with the single exception of Germany, the ratio of people who feel that they are socially worse off now than before the war is higher, often significantly higher than that of those registering an improvement. The difference between these two proportions differs significantly by country, but on the whole it does not offer a reassuring picture. It is particularly disturbing that, 50 years after the war, after the hard work, innumerable sacrifices and sufferings of the majority, only a minority now feels that they are better off than they were before the war.

Consciously or not, when people assess the impact of the changes, they seem to take into account a number of factors. Of these factors, the changes in the economic situation of the country as a whole and of their own family are certainly important. It seems, though, that more subjective

²The wording of the question was the following: Imagine a 7 step ladder representing the social status or position of people in various historical periods. Where would you place your (or when you were a child, your parents') family, if 7 means the highest, 1 the lowest position? The question was always answered by the head of the household (as was the whole questionnaire).

feelings, most important of which are deceived expectations, play an even more momentous role. The expectations were of a fully fledged market economy, political democracy, and welfare arrangements which would counteract naked market forces and assure a modicum of existential security for everybody.

According to our results, people value everywhere the new political structures and their correlates, the new freedoms. They also believe that these structures are by and large securely in place. The feeling of a gain in freedom is the strongest in those three countries where they were most curtailed—that is, in East Germany and the two countries emerging from the former Czechoslovakia, all of which, after the upheavals of 1968, had remained, or had become, hard-liners. Also, in case of Slovakia, there is a sense of gain due to the newly acquired national independence. By contrast, citizens of former East Germany, while duly appreciating the improvement of their material condition, seem to have adverse attitudes induced by feelings of “inferiority”.

In contrast with the positive evaluation of new and secure freedoms, there is a pervasive feeling in all the countries that basic securities of income, employment, housing, the future of children, and so forth, are extremely important, and that these securities are threatened or in many cases undermined. The analysis repeatedly shows that deceived expectations, threatened existential security and personally experienced deterioration may explain more of the overall assessment of the new regime, as well as the feelings of gain and loss, than objective conditions on the macro or micro level. It should be added that the main losers are Hungary and Poland, the two countries where citizens were the best prepared, both economically and politically, for the change of system and where inner forces did the most to prepare for the transition.

It is hard to overemphasize the potential political implications of these findings. It is not our task or intention to enter here into detailed conjectures about them. We will just mention that they may pave the way towards the escalation of left or right wing populism, even in the countries in our sample where this political orientation did not have any visible support in the first years after the transition.

A final issue to be mentioned here is the restructuring of societies after the transition. The survey may also be analyzed in these terms, but in the reports presented below this analysis has just begun. Two trends may already be discerned. One concerns the role of social determinants. Various types of capital—especially cultural and social, which can be transmitted over generations, even under adverse conditions—has always played a role in determining individual life chances. This transmission occurred even when dictatorial politics tried to stop or hinder it, attempting to stifle all spontaneous social trends. The forces operating behind this transmission have now become legitimate and unoppressed, which is the basis of a free society. However, the unmitigated operation of the social “Nemesis” means that upward social mobility, particularly in cases of the most deprived strata, will become more difficult. The second trend concerns the segmentation of society, ultimately leading to increasing inequalities, hardened cleavages and social marginalisation or exclusion of the losers. Signs of this trend, and of its non-acceptance by a considerable majority, are already visible in many fields, from income distribution to coping strategies.

The transition was expected, welcomed, and, if conditions allowed for it, prepared for by an immense majority in each country. Five years after the victory of the new democracies, the balance sheet is ambiguous. There are clear gains: in political terms for everybody, in economic terms for a minority. And there are distinct economic and psychological losses affecting a sizable minority, or a majority. Whether the present situation was inevitable, the “natural” corollary of the spontaneously emerging relationship between state, market and civil society, or whether a more reflected, better monitored relationship between these three agents could have been achieved, is an open question. It seems, though, that there are two countries in which the spontaneous processes of

gaining and losing have been checked. Despite rhetoric to the contrary, in the Czech Republic the state has retained a controlling influence in many economic and social spheres. And in (former East) Germany, the transfer of (West German) capitalism occurred together with the transfer and financing of the institutions of a very elaborate and generous welfare state. (It is a different issue whether the financing of these arrangements will be sustainable in the long run.) One of the conclusions of this line of thought is that a more thorough knowledge of the unexpected and unwanted outcomes of the transition should lead to a rethinking of the roles and relationships between various social agencies, actors and institutions, particularly those between the state, the market, and civil society. The main gain of the transition is freedom and democracy, a more open society. But an open society, freedom and democracy, cannot flourish, perhaps cannot even survive, without potent social forces supporting and defending them. Hence the necessity of a powerful public discourse about the findings of the SOCO survey.

About the survey

Under the auspices and with the help of IWM, research teams have been formed in four countries (Czechoslovakia (later the Czech Republic), Hungary, Poland, and, somewhat later, Slovakia.) They started work on the idea of the survey under the direction of Julia Szalai. However, after almost a year of effort, they came to the conclusion that a true comparative survey could be assured only if conceptual and terminological issues were fully clarified. This was a fully justified and all-important condition. This turned out, however, to demand more effort and time than either the researchers or IWM could afford. Hence the project was given up by the participants in the Spring of 1994. Meanwhile, IWM succeeded in raising funds for a new survey, and committed itself to carrying it out relatively rapidly. Also, it was clear for many of the scholars that things were changing very rapidly, and a trade-off was indicated, one between rapidity and perfect conceptual clarity and comparability. At this point it became known that a panel survey had been going on in Hungary since 1991, which by and large had adopted the objectives described above. Thus the leader of the Hungarian survey was asked to head the international research. Zsuzsa Ferge accepted this request with very tight deadlines, provided that the country teams could accept the Hungarian questionnaire as a starting point and basis for discussion. This condition was accepted by the country teams. It was clear to everybody that a new questionnaire would have required several months. Also, most of the items in the original questionnaire met with the approval of the country teams. Still, many alterations were needed, especially additions. Indeed, questions highlighting the particular problems of each country had to be added. The discussion and reformulation of the questionnaire started at a workshop in June 1994, and ended in November of the same year with a second workshop finalizing the questionnaire, after the evaluation of the results of the pilot surveys.

While the questionnaire was under preparation, Claus Offe suggested the inclusion of the Eastern part of Germany in the survey. Some time was needed to raise funds and find a scholar interested in joining the research. Thus the former East Germany joined the project only at the end of 1994; thus the questionnaire could not be adjusted to map problems particular to Germany.

The survey was finally able to take place in January 1995. Logistics are described in more detail in the Documentation. Having been selected by IWM, Szonda-Ipsos Ltd., a professional survey centre based in Budapest, became the main contractor, carrying out its task with the help of subcontractors in all the countries surveyed. Szonda-Ipsos was responsible for international coordination, formatting and translating the questionnaire, checking the sampling methods, preparing the coding instructions, checking coding done in the home country, entering and cleaning the data, preparing data files (SPSS system files) (adding some newly constructed variables to the original set), and the preparation of the entire Documentation. The subcontractors had to back-check the

translation, carry out pilot surveys, evaluate and feed back their results, carry out the field work and prepare the field reports, and do the coding.

Throughout this process, the research teams in each country were in contact with the subcontractors; they participated in the evaluation of the pilot surveys and made suggestions for the improvement of the questionnaire. The directors of the project (Zs. Ferge and E. Sik) were in regular contact both with the research teams and Szonda-Ipsos, and made the “strategic” decisions for the finalization of the questionnaire, the coding instructions for open-ended questions, and the like.

The cleared files were made available to the researchers in July 1995. More precisely, at this point one file was made available, containing all the answers to all the questions, but arranged in a way which linked all data to the household as a unit. The preparation of the so-called individual file took some more time and was ready only in September 1995. The country reports and the international report were prepared between July and September 1995, so that the individual files could not yet be used.

The sample size—as agreed—is around 1000 households in each country:

Country	Number of households	Number of persons	Average size of households
Czech Republic	1000	2841	2.8
Poland	1039	3546	3.4
Hungary	1000	2853	2.9
(East) Germany	1116	2548	2.3
Slovak Republic	1000	3312	3.3
Total	5155	15100	2.9

The report consists of the following parts:

- A. International Report (Ferge, Sik, R=<=bert, Albert).
- B. Statistical Appendix to the International Report (Ferge, Karjanisz)
- C. Country Studies,
 - * Czech R(RMateju)
 - * Poland (R. Milic-Czerniak et al.)
 - * Hungary (Sik, Ferge)
 - * Germany (U. Engfer)
 - * Slovakia (R Bednarik et al.)

D. The Documentation contains the field reports, the financial reports, the questionnaire in all the languages used, the full description of the basic and created (standard) variables in alphabetic order, and the marginal distributions of all variables. (The Documentation is not published It is available at IWM and at the national research centers.)

Because of the very short time available to the international team, both at the preparatory and the analytical stage, there are a number of weaknesses the reader should be warned about. Let us mention just some of the problems that we are aware of:

* The concern of the original team about conceptual clarification was indeed warranted. This is a major difficulty, particularly in the case of education and employment categories. In the case of educational level, we apply throughout the report the usual categories, namely: “less than primary,” “primary,” “vocational,” “secondary” and “higher education”. While there is by and large a strict correspondence between countries concerning the contents and social value of secondary and higher degrees, this is not true for lower levels. “Primary” school may mean a different numbers of classes, for example, and it may have quite different implications in the various countries. The value and status of vocational education (“industrial apprenticeship” organized in various ways) varies in time and between countries. In the case of employment, comparability is always difficult to ensure. In our case, the definition of unskilled, semi-skilled and skilled workers may differ between countries. Many of these problems may be clarified at some later point However, whenever we detected distortions, warning notes were added to the text.

* Despite massive efforts of Szonda-Ipsos to cross-check the translations, it may well happen that apparently identical questions do not have the same connotation in all the countries. This problem will surface when more elaborate analyses take place.

* The belated inclusion of Germany meant that the final questionnaire could not take into account some of the specifics of the German situation, and also that the translation of the questionnaire was less than perfect. (For this reason, Germany had to be left out of some parts of the analysis.) However, the bulk of the questionnaire could be used.

* In Slovakia, for administrative reasons, the random sampling of households could not follow the usual routine of selecting from a pre-established list. Less orthodox methods were used

(a random walk), in which case there was not much local experience. Hence the Slovak sample is less representative of the population as a whole than the samples from the other countries.

* As will be mentioned at several places in the analysis, we now know (with the wisdom of hindsight) that some questions should have been formulated differently in order to be understood in a way that corresponded to the intention of the researchers. A case in point is the question about “freedom to form parties”. This formulation, instead of eliciting answers concerning political freedom, is plagued by the fact that the interviewees associated it with party conflicts, something of which they are extremely weary.

* Time was also extremely short for the preparation of the first (country and international) reports, which entails substantive and technical shortcomings. To name only a few:

-The reports are essentially based on the questionnaire, more often than not without reference to background information (for instance, legal measures, statistics). The available literature is not extensively used, and even when it is used references may be missing.

-The vocabulary of the reports is not fully streamlined: the same concept may be referred to by different words. (For instance, equivalent income, adjusted income, and income per consumption unit all mean household income divided by the number of so-called equivalent-adult-units in the household. All three expressions are correct)

-The ordering of the countries in the Tables is not fully standardized. It usually follows a random order throughout most of the international report. In some cases, the English alphabetical order is used; in some other cases an order of rank based on a criterion fitting the analytical purpose at hand is used.

-In some cases we use the “regional average,” which is the simple unweighted average of the five countries. This is common practice in international statistics (UN, OECD, and so forth), but in many ways it is misleading. It should be considered to be only a sort of yardstick

-We did not have time to repeat and backcheck all the calculations, so numerical errors may occur (hopefully not often). We did not have enough time to look for best-fitting models. All in all, many problems are, as yet, unexplored in depth.

We endeavored as far as possible to check the impact of the errors, and to caution the readers about them. We hope, nonetheless, that despite all the shortcomings the results are meaningful.