STREAMING TOWARDS SOCIAL STABILITY
Social Studies 4

The aim of this series is to document the processes of economic, political and social changes in the Baltic societies after the restitution of their independence since the break down of former Soviet union and the effect these changes had. Historically new situation also presents a challenge to the social sciences themselves. The intent behind the volumes in this series is to provide the analysis of these transformation processes that will prove of interest for sociologists, historians, lawyers, economists, teachers, for a wider readership as well.

The Lithuanian sociologists are the initiatives of this series, but all attempts to involve the authors from other Baltic States are made. We invite submissions from scientists working within all fields of social studies. Research comparing two or more Baltic countries, or Baltic countries and Eastern European countries or Nordic countries, is especially welcome.

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Lithuanian Institute of Philosophy and Sociology

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REGULATION IN THE BALTIC SOCIETIES AND
THE THEORY OF POST-SOCIALIST TRANSFORMATION

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The Regulation Approach

The post-socialist transformation, and so also the Baltic transformation is unfinished
and uneven process with many conflicting features. From the point of view of the
theories of institutionalization and regulation it is scenery of deficits. On the one
hand the time to change from state-socialist society to so called democratic market
society has not been very long. Consequently many processes have taken place very
quickly. The most used examples of the rapidity of change have been the creation
of the infrastructure for markets and democratic political system.
On the other hand there is a lot of social fields where the aims and the need of
regulation is under a heavy disagreement, for example the social security system.
Actually from theoretical and ideological reasons the market itself is the concept in
point. The need of (outside) state regulation in addition to market mechanism for the
coordination of economy is highly controversial issue (Sayer 1996).
It was sure from the beginning that the relevant knowledge was deficient. Although
in some areas like economic and fiscal matters or labor relations the situation of
legislative development is relatively well analyzed (see Venesaar-Hachey 1995 and
Blom 1995a) in others it is not. The understanding of the effects and significance of
regulation can be based only on the complex information about the implementation
of rules, and thus demands a lot of social studies which still are mainly lacking. In
addition the sociological analysis is not focused only on the official regulation. The
moral and informal regulation has always been the important part of the research
interests in sociology. The old concept of "social control" has strongly those
connotations (Melossi 1990). This produces additional problems of data lacking,
even the studies of social problems and their visible place in social consciousness
and in publicity (Lagerspetz 1994 and Blom 1995b) tell something.
The nature and the limits of regulation reports can be specified with the analysis of
basic concepts and objectives and the scope of the regulations approach. The
regulation approach has various roots and directions (see Mankopf 1988, Jessop
theory of capitalist regulation" (Aglietta 1979) the orientation was narrowly
economic. After that the approach has got more institutionalist (cf. Mjoset 1985)
and socio-cultural elements (about the limits in relation to theories of social
structure and the theory of social action, see Mahnkopf 1988a).
The main targets of the regulation theory have been business and competition relations, money, finance and credit relations, labor relations, state forms and modes of state intervention, civil society and modes of association to international regime (Peck-Tickell 1992, 353 and Blom 1993, 28). In the largened form the targets include also the norms, habits and social networks. The regulatory forms and mechanisms have continuously their spatial scales from local to supranational.

But what are the basic concepts of regulation approach and what is the intention of regulationist studies?

The regulation approach studies historical conditions of accumulation. The concept used is "the regime of accumulation". There are historically distinct, relatively stable regimes of accumulation. The nature of each regime of accumulation depends on a particular series of regularities. 1. the pattern of productive organization within firms which defines the wage-earners' work with the means of production; 2. the time horizon for decisions about capital formation; 3. the distribution of income among wages, profits and taxes; 4. the volume and composition of effective demand; and 5. the connection between capitalism and non-capitalist modes of production. (Boyer 1988, 70-71; Brenner-Glick 1991, 47). The polar possibilities of the modes of accumulation are extensive and intensive. Both the technical and organizational changes are related to these possibilities.

The most analyzed and discussed mode of accumulation is Fordism and the most studied crisis is its crisis. Bob Jessop, for example, identifies in his accounts the following components of the Fordist mode of regulation: the separation of ownership and control in large corporations; monopoly pricing; union recognition and collective bargaining; wages linked to productivity growth and retail prices; "national" money; state support for reproduction of labor power and a mass consumption norm; and a state management of the conflict between wage labor and capital (Painter-Goodwin 1995, 350).

We can ask how Fordist is a certain country. Then the Fordism works as an ideal-typical model. Still even if the Fordism is a matter of degree there are at least three minimum features which were definitionally present in all countries identified as Fordist (Jessop 1990, 59): 1. a degree of correlation between wages and productivity and price increases; 2. a role for a state in supporting mass consumption through the social wage; 3. state intervention to manage aggregate demand.

"The regime of regulation" is the set of institutional forms needed by each specific regime of regulation. The combination of the mode of regulation with the mode of accumulation gives rise to a distinctive "mode of development".

Every mode of development has its typical crisis which are, however, non-threatening and self-regulating. The situation is different when the old regulation regime is changing to new one. It is a situation of structural crisis, crisis that is unregulated and include the conflictual action of classes, firms, political groups and governments.

The regulation reports here have different scopes from institutional developments to wide structural and constitutional analysis. The regulation approach in the case of Baltic countries has its specific limitations discussed shortly at the end of this presentation.
An Overview of the Regulation

The new legislation

In the context of Baltic-Nordic project the reports of five areas of regulation were produced. Those fields were (1) ownership, property relations and the institutions of finance, (2) labor relations and employment policy, (3) social security system, (4) the constitutionalization of state and (5) citizenship. (Blom 1996). After that the regulation was also dealt in the interviews of Baltic exports (Blom 1997).

The regulation of economic and fiscal matters developed to new forms already from the year 1990. However, for example in Estonia the reasonable form in regulating entrepreneurship was achieved only in 1992-94. the laws of credit institutions were passed not until 1994 and 1995 in the different Baltic states. (in details, see Zirnaski 1997).

The legislation and its implementation are different matters. the implementation demands both the acting administrative bodies and the favorable social condition to be effective. The good example is the labor market regulation what demands a good knowledge about those markets, the organization of labor market parties (employers association and trade unions, the capable state bodies and many economic preconditions (wages, insurance systems, etc.). All those conditions are more or less lacking.

A lesson from case studies

To continue one example to more or less final end I like to summarize the results of our case study of two enterprises from the year 1995. (in details, see Blom 1995). The case study changes clearly the lines of understanding of the situation. When also "the everyday at the workplace level" comes to the stage the picture of regulation seems to be really blurred.

The case studies (in furniture and clothing factories) emphasize many consequences of the transformation. The first is the lack of regular channels of material and labor force procurement. The problem of getting steady and qualified labor force was the problem of both firms. There was not enough the kind of labor needed and if you are getting good workers they got better shops very soon and leave the firm. One of the managers even said that they must take any one who is moving in the streets. Especially there was the urgent need from (modern) well-educated expert labor force. The official employment bureaus are not much used when someone likes to find a job. More important are informal networks and relations.

The managers of both firms complained of the impossibility to succeed in wage competition. There were no extra financial recourses to use for it. The labor markets were not well-known, not even among managers. The same is valid also with the knowledge about incomes in different firms and regions in the country. It also occurred that the incomes of different categories of labor force were matters of secrecy in Estonia.

The furniture factory had big troubles with the getting of material, wood, glue and dyestuff. Both enterprises had same kind of difficulties in the selling of their products. The decrease of the Russian (Soviet) markets influenced more on the
furniture firm. The clothing firm compensates its old vanished markets more with acting as subcontractors. The machinery of the furniture factor was old-fashioned and mainly planned to the mass production. The situation of machinery was better in the clothing firm. The situation in the industrial relations was different in the two firms. The other had trade union and most of the workers were members of it, if mainly passive ones. The other, new and better working, had no trade union and no agreement of the terms of work.

Industrial democracy or democracy at the level of work place was no way in the order in the enterprises. And, at least, managers were against it in both firms. The communication from the top to the shop floor level was very scanty, and the workers and immediate supervisors were not conscious with the future plans of the firm. In the furniture factory also the ownership rights were waiting their settlement in the court and the atmosphere was tense and unsecure.

The managers did not want to give large responsibilities to the workers. The supervisors perhaps expect more responsibility from the workers, and finally even workers say that all depends about the talent of the directors.

Because the work has often uneven rhythm and high physical strenuousity there were not much time to think the problems of the firm and managers and not at all something like the economic policy of the state. The job is needed, even it gives low wages. It is mainly the question about best chance among the bad ones than any motivating choice between real alternatives. Those conditions are not favoring the development of the iniator mind. An interviewed worker told that he does not want to think any other matters as his actual work. He had done it well and will do it well. And that is all.

The firms have rather many other problems (high labor turnover, drunkenness and criminality of workers, ethnic separation, insecurity in evening shift and in home-going). On the other hand the trust on the future and the signs of firm spirit (the spirit of togetherness) were very different in the two firms and so varied also many minor things. Thus even if there are same types of basic problems the variety at the enterprise/work place level is big and the nature of formal and informal labor and bargaining relations differ and are tightly related to the resources and the success of the firm.

In conclusion the case studies emphasize some new aspects of the problems of industrial relations in time of transformation. They show the that the labor process is in both firms insecure. In the furniture factory the reason is the weak obtain ability of raw material, old machines and low wages. In the clothing firm reasons are the high physical burden of work force and also low wages.

Two main things suggested by the case studies are the close together-knitting of the success of firm, the preservation of one's job, the one-sided acceptance of low income and reproduction level and unwillingness to do or to think nothing else than one's own work and own private troubles. It must be emphasized that that is a firm package. The corollary of the structure are the undeveloped labor and industrial relations and the insecure terms of bargaining.
The generalized overview

In the context of our study we make the overall evaluation about the situation in regulation and institutionalization in the Baltics. The evaluation is naturally highly generalized. Schematically the situation of regulation in the Baltics can be generalized as follows.

<table>
<thead>
<tr>
<th>Field of</th>
<th>Situation</th>
<th>Main deficiencies/threats</th>
<th>Future regulation prognosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic system</td>
<td>under formation supra-integration</td>
<td>lacking systemic national</td>
<td>regulation based on integration</td>
</tr>
<tr>
<td>Currency</td>
<td>stable competitive pressures</td>
<td>inflation</td>
<td>international</td>
</tr>
<tr>
<td>Finance/credit</td>
<td>institutionally under-developed</td>
<td>inconfidence, bankruptcies</td>
<td>centralization, international</td>
</tr>
<tr>
<td>Type of state regulation</td>
<td>neo-liberal</td>
<td>lack of long-term aims welfare</td>
<td>slow increase of economic</td>
</tr>
<tr>
<td></td>
<td></td>
<td>regulation</td>
<td></td>
</tr>
<tr>
<td>Bargaining relations</td>
<td>formally existing</td>
<td>low implementation</td>
<td>slow tripartition</td>
</tr>
<tr>
<td>Social security</td>
<td>deficient unequalizing</td>
<td>unfinished, systematization</td>
<td></td>
</tr>
<tr>
<td>Party system</td>
<td>no mass interest parties</td>
<td>unsecure cyclicity</td>
<td>slow formation</td>
</tr>
<tr>
<td>Civil society</td>
<td>unclear existing basis</td>
<td></td>
<td>depends on structural socio-economic development</td>
</tr>
<tr>
<td>Relation to international adaption</td>
<td>relations, lack competition of autonomy</td>
<td>unequal power EU-based position</td>
<td></td>
</tr>
</tbody>
</table>
The table exemplifies the immature and unstable situation of institutional regulation (in more details, see Blom et al 1996). The class relation between labor and capital with its institutionalized patterns cannot be described with any Fordist model. There are no clear interest formation along those axes, and no acting trade unions and employers associations. Also the state as a third party in regulated compromise is underdeveloped. The low level and infirm type of interest formation hinders widely the progress of any stable regime of regulation even if we are not expecting the emergence of any Fordist one. Further, the planned socio-economic regulation is difficult because of the low level of resources and the supranational "over determination". The autonomy and the space of regulation is highly limited.

**Elements and Questions for the Theory of Post-Socialist Transformation**

*Formal and material legitimacy*

A collapse of socialism created a system vacuum. That space was also the basis for a new type of the mode of regulation. The nasty question was how limited this vacuum was and what was it like, and how lasting is the effect of "the old mode of regulation". At the level of institutions the limiting factor is the continuity. Institutions have the autonomous logic of there own and cannot be replaced at will. This continuity is referred by the term "path-dependency" (see Offe 1995; Stark 1995).

The difficulties in political legitimacy were related both the lack and disorder of legislation and the implementation of laws and increasingly to the lack of material legitimacy. The first is the matter of adequate rules and procedures, the latter is related to the conditions of living.

The economic (under)development after the independence has been the general background of almost all the problems and the unsuccess of many reforms. For example the industrial production declined sharply during the first years of independence in all three Baltic countries, and it is only during the last two years that there have been some signs of slow recovery in Estonia and Latvia. In Lithuania the decline is now beginning to bottom out. However, in Estonia and Latvia the present rates of growth are only just beginning to approach the pre-war levels.

All the Baltic countries have a stable currency. Fluctuations in price levels have slowed down. Yet in all three countries there are considerable inflationary pressures. Although inflation rates have declined considerably, the annual figure is still at around 25-30%. This can be explained by the growth of productivity, the influx of foreign investments and fairly low wage policies.

The banking sector in the Baltic countries grew up in a situation where there was very little demand for initial capital and where state control of the banks was inadequate. Combined with the fact that large chunks of the banking sector were connected to 'unofficial economic activity', this resulted in an increasing number of bankruptcies. All Baltic countries are currently moving towards stricter control of the banking sector.

The empirical results both from the Baltic societies and other post-socialist countries show the hard tendency towards socio-economic polarization of the population and the forming of the large-scale poverty. The difficulties of material
legitimacy are often based on the conflict between economic and political rationality. When because of economic rationality (or "shock therapy") the consumption is not supported, the subsidies for food and other consumption items are abolished, the public services (transport, housing and health care, etc.) are cut in state budgets, as in Baltics, the decrease in legitimacy is not a miracle. Studies on transition and social consciousness in Poland and Hungary have shown that changes in consciousness can be quite rapid, albeit non-linear. However, this is not to say that the changes are fully random. Consciousness was clearly affected by deficits in material well-being, by promises unmet. People were no longer willing and prepared to wait as long as they had: their interests were now determined mainly by the immediate situation and by personal experience rather than by hopes and apprehensions. The myth of the market was replaced by the privatization of the state sector, unemployment, recession, shops full of goods and many empty wallets" (Kolarska-Bobinska 1994, 134).

It can also be mentioned in a very large range attitude and evaluative questions in our own Baltic surveys in joint set of Baltic data the two first factors collecting the most part of common variance were I Order and basic needs and II Social security and it was just after them and III Ethnic conflicts and political stability when the basic pillars of transition, factor of IV "Modern state" (and market society) came. The correlation analysis of the consciousness scales (above mentioned factors) suggests the low significance of middle class. The correlations of class variables indicate that the main and the only clear dividing line based on class groups is that which runs between managers (and in many cases the petty bourgeoisie) and the working class. The correlations representing the middle class groups are insignificant. The difference between managers and the working class is usually wider in Estonia than in the other Baltic countries. In addition the correlation of at least some background variables are as high as those of class variables and in many cases higher.

Generalizing from the above described results of our Baltic surveys it can be noticed that the case of Baltics is rather the usual post-socialist polarization than that of middle class society.

When to the above discussed picture the great ethnic, regional and class divisions and the great, mainly countryside, poverty are added there is also a miracle - the relative political stability. The assessments of the new situation are affected by many different factors, including immediate economic difficulties in family reproduction, worries about job security, reduced opportunities for social mobility, lost personal hopes, irresolution and socio-polical apathy. However, people still seem to make a difference between support for reform and their own personal situation: they evaluate the impacts of the transformation process on the economy in more positive terms than its impacts on their own situation and that of their families (Kolarska- Bobinska 1994, 129-131).

Laszlo Bruszt (1995) has distinguished between two lines of theoretical argumentation in the explanations offered in post-socialist countries for the support for capitalism. The first theory (the so-called "incompatibility thesis") says that this support is determined by changes in people's structural position and the short-term payoffs that the reforms can deliver. The second theory (deriving from a literature described by many as "the political economy of patience") says that support is not a direct function of changing socio-economic positions, and furthermore that the
democratic polity is not merely about re-presentation of people's short-term interests.
Both these theories need the state. The first regards the autonomous transformative state as necessary, although democracy undermines the needed autonomy of the state. In the second line of thinking, the democratic state is the prime mediator between the changing economy and lasting support for capitalism. The democratic process itself has a plenty of means to influence the level and extent of support. The main thing is the trust in political institutions and in the actors playing a central role in the political process. There are also several other factors that can induce tolerance and patience, such as perceptions of past experience, (low) evaluations of alternative routes, etc.
Often the political models for post-socialist countries are like supermarket. Something for everyone. There is a range of options with no sensible order. Still the political tactics and styles vary. For example Bruszt (1995) distinguishes "exclusionary and inclusionary politics" and Rychetnic (1995) "confrontational" and "consensus oriented" styles and tactics.
If we in Baltic case forget the relatively presidential system in Lithuania and parliamentary systems in Estonia and Latvia the relation between elite and people is nearly the same in each country, i.e. there is a long distance between elite and people and the lack of need and interest forming and mediating institutions is a rule. If so this must have an effect both to the efficiency and the legitimacy of the system. The social structure of power has seen profound changes since the Soviet era. However, the power constellations are somewhat different in the Baltic countries. Estonia has moved more clearly than the other countries in the direction of native-origin elite. It has not been easy to transform the old organizational and symbolic capitals dating back to the Soviet era into power resources applicable in the new historical situation.
In Latvia, power is very much divided, with administrative and political power is in the hands of the native Latvian population and economic power controlled by the Russian elite. Ethnic lines are less prominent in the division of power in Lithuania, although Polish and Jewish elite do play a role in Lithuanian social life. All in all, the level of productive transformative power is still too low in all Baltic countries. The political instability that continued to prevail in the Baltic countries effectively undermines the social legitimation of power. The problems of security and need-satisfaction change the problems of legitimacy from values of independence and legal nation-state to those of material survival and well-being. The actual development does not really live up to expectations, and underlying this is the problem of the latency of democracy and efficiency beliefs. Gender divisions are based on the former Soviet-type system. This means that Baltic societies are highly paternalistic. Men and women are not equal, but males predominate in all the important social institutions.

Can it be designed?

Claus Offe (1991 and 1995 and David Stark (1995) have contested the designing of the post-socialism. Still Offe (1995, 51-53) speaks about "dual nature of institutions" saying "not only are institutions man made, men are also institution-made". He compares the latter side with hidden curriculum were we learn values,
norms and rules embodied in institutions. Institutions become our second nature according to Offe. Stark (1995) speaks about "the myth of designer capitalism". Even if the myth was well-known in different ways for Marx and Simmel and other classics of social science it is good to emphasize it in nowadays different historical situation the policy goal is far-reaching marketization of all aspects of (economic) life in Eastern Europe and in other parts of the world. Stark (1995, 79) criticizes the advocates this view from two analytical shortcomings (1) they mistake one possible means to the end itself and (2) they operate in a theoretical universe in which the dichotomies of state and market exhaust the range of coordinating mechanisms in modern economies." What he demands is more design for special problems of specific sectors or localities. This is in his mind a sociological approach. The time-space embedness of institutions in the context of both capitalist transition and old legacies give a complex field of possibilities for regulation and institutionalizations. It is claimed that (1) "Networks play a role as social practices from which regulatory processes emerge by embodying and organizing two types of properties: material and discursive. Material networks are institutional relations that combine market, hierarchical and associative mechanisms. Discursive networks involve regulatory practices emerging from collective forms of understanding." (2) (...) "The organization of space is thus an inherent part of the process of regulation." (Smith-Swain 1998, 31). The territorial institutionalization as well as the local figuration of practices is an essential in the mode of regulation (fine example are studies in Pickles-Smith 1998).

Maybe the summary statement of Nielsen, Jessop and Hausner brings the dilemma to perfect. They state: "Such contrasting experiences highlight the significance of uncertainty, contingency, and, hence choice and leadership. such opportunities for discretion are confined, however, within well-defined patterns of structural constrains, some of which will be path-dependent." (Nielsen et al 1995, 15).

*Modernity and old legacies*

The all legislative changes are often interpreted as steps toward modernity. It is sure that there problems in this developmental-totalistic view. First it does not ask the (possibilities) of implementation and the social effects the laws. Can the impoverishment of condition of a wide part of population be the progress toward modernity. Secondly, the "modern" itself is problematic and begs analytical and historical breakdown (see Srubar 1991 and 1994); Muller 1992 and 1995).

A comparison of people's views as to the main reasons for getting ahead in society in 1988 and in 1993 produces a clear and interesting picture. The Soviet type of 'network society' gives room for a capitalist (work) motivation (willingness to take risks and work hard) in together with the right background (wealthy family, good education).

The results also show that a process of 'mental modernization' has been taking place. Although it is clear that the process is still going on, the change is reasonably big. The evaluated reasons for getting ahead related to native ethnic origin have increased most; the figures for Latvia and Estonia are 63% and 43%, respectively, but only 3% for Lithuania. The capitalist spirit and a nation-state mentality appear side by side in Estonia and Latvia.
The cultural connections in different forms between 1988-93 also tell a modernizing story: the diminishing role of the Soviet Union/Russia. This concerns both television and radio, books, newspapers and visits and traveling. In general the results clearly indicate that the movement is towards the market economy with its typical hierarchies. However, it must be added that there are clear indications of the preservation of traditional society. The importance attached to one's own garden plot and the role of relatives as sources of income are perhaps good cases in point. The same tendencies can also be seen in the data on the main occupational groups as well as in a comparison of Estonia and Finland (Blom et al. 1991; Melin 1995). The two main results were as follows: (1) group differences in work and reproduction situations have increased substantially, increasing inequality; and (2) the main losers are laborers and lower white-collar employees, while the winners are managers or more generally well-educated people in leading positions. It should be added that among the losers there are also many agricultural groups (not discussed here). Those kinds of results are hardly surprising if we consider the earlier studies in 'transitional' post-socialist countries in Central and Eastern Europe (cf. Srubar 1994). These findings also indicate that the direction of change is towards a further polarization of living conditions and poverty. In a sense this is the price of change - which may lead to many additional problems. The general finding above also raised another question: whose situation is worst? Broadly, the people whose situation is worst are those groups who occupy the lowest positions in the poorest Baltic country. Maybe the old legacies can be seen also in the different ways of the formation of transitional elite. Eyal et al. (1997) have contrasted the transition of Eastern Central Europe to Russia and Eastern Europe proper. The first is based on new managerialism, the second on the old nomenklatura. In the first case the managerial class has its own interests, ideology and legitimation. Decisive is not the ownership but control of productive assets. In the Russian type the old nomenklatura succeeds to convert political powers to new economic elite position in the conditions of weak society and publicity. The idea of political capitalism and "the capitalism without (real) capitalist" suits well to Russian type. According to this interpretation the power elite in Central Europe has two dominant fractions: technocratic-managerial elite and the new politocracy and a dominated fraction: humanistic and social science intellectuals. The hegemonic ideology of managerialism is monetarism and the key figure financial manager. Monetarism is not only an ideology and a body of knowledge but also a very effective political technology for governing individuals (ibid. 74). The Baltic type of power transformation resembles the Central European type. However, the coalition between technocrats and policracy is either not needed or difficult to achieve from ethnic reasons (Latvian case). The basis for legitimation of new elite is the same as in Central Europe. In the conditions of constant uncertainty the managerial knowledge is highly needed for organization of society on the basis of measurement and rational calculation (Weber).
Towards wage worker society: a mediating summary

The social structure of Baltic society are new many ways complicated. The concept wage worker society is useful as an ideal type. It is a telling milestone of capitalist modernization. Compared to this ideal type the social structure Baltic societies is only halfway modern.

1. The participation rates to labor power dropped down after their independence and they are still very low (in 1994 the figures were between 43 and 45 per cents; Venesaar-Hackey, Jr. 1995, 122-123).
2. The reproduction demands a portfolio of different "economies" (Rose 1995). One wage worker position is not enough.
3. The labor contracts are lacking or deficient and they are depending about local/enterprise conditions. Still in many cases the paternalistic relation dominate at enterprise level and the terms of labor are rather arbitrary. The implementation of laws is difficult and highly knitted to the success of firm in its many aspects.
4. A modern bourgeoisie and a modern middle class are still only under formation.
5. The actors of modern wage worker society are in high degree lacking. The well-structured interest formation and protection is lacking. Trade union are mainly seen as the mechanisms of old legacy and their membership figures are rather low in 1993 they varied from 12% to 24%.
6. The wage labor mentality is just developing. The possibilities to be a work and wage motivated modern wage-laborer are scanty. If the virtues of parsimony, punctuality and efficiency are expected the time of socialization to modern wage work has been too short and the Soviet past is still too effective (cf. Srubar 1991).

What about integration?

As far as the system integration is concerned, the uneven institutional development in the Baltic countries may lead to very difficult relations between institutional sectors (economy, social security, institutions of science and education and moral regulation) and their actors. The higher level norms to unite systemic development are also underdeveloped.
Social integration is affected by conflicting pressures. The list is headed by social insecurity which is affecting people's everyday interaction, rural poverty and communal disorganization and a generational gap with different life-styles and values. There is a close link between the lack of real interest mediation and the problems of social integration.
Every society needs channels of interest and communicative mediation in order to have a solid basis for social integration. The lack of developed civil society and the lack of structurally based mediation of political interest makes the political stability demanded by societal integration difficult, even if there are partially different research results (Evan 1997). Social integration also requires a developing sense of justified equality or inequality. Even if there are differences in the Baltic models, what comes to timing, living conditions and structural frames (Eg. ethnic and power relations), similarity is the rule.
What Kind of Theory?

There are different divisions of phases in post socialist transition. In Baltic case the phases of "value-mobilization and "passive transformation" is a clear time-based division. The others suggested mainly from the economic perspective like that of Islam and Mandelbaum (1993,188; Hauser et al 1995, 9-10) where there is sequence of four dimensions of reform (stabilization, liberalization, privatization, and setting up institutional framework) is not conflicting this. The dimensions of Islam and Mandelbaum are rather inside the main phases of mobilization and passivity.

What is really are lacking are the phases of social or class differentiation and polarization and the problems of legitimacy and political stability affiliated to them. There different kinds of critics towards regulation theory. The fundamentalist critics say that the main weakness of the regulatory approach is "its failure to take adequately account the broader system of capitalist property relations that forms the backdrop to their succession of institutionally defined phases." (Brenner-Glick 1991, 105).

In the Baltic case it is not sure where in the jungle of successive phases of the modes of regulation we really are or how different modes, including that related to old state-socialistic one, are combined or what is the mixture between competeve capitalism, Taylorism-Fordism and the crises of fordism in present phase of the Baltic transformation.

In the Baltic case we are in a way at the same time making diagnosis about the deficits of institutional regulation and studying the transformatory crisis from the point of view of this analysis.

Actually there are only a few applications of regulatory approach to post-socialist developments. Even if the state socialist situation is tried to be analyzed as "scarcity mode of regulation" it seems to be not very promising effort. (Brenner-Glick 1991, 108, note 113).

Zbyzsko Chojnicki (1995) has presented an evaluation about Polish transformation from the perspective of post-modern change and the change in the mode of regulation. According to his evaluation the Polish postwar economy never had any Fordist form. There was no intensive regime of accumulation.

Economic growth was achieved by incorporating extensive factors of production, mainly labor. Also the attempts to transition to intensive accumulation in the 1970s produced only isolated elements of the Fordist principles of work organization. In addition, Chojnicki evaluates that the crisis of 1980s, which was in the first place political and social, can be interpreted in terms of modernization but not in terms of Fordism or post modernization.

The Polish society during the transformation period has succeeded in modernization what comes to differentiation and commodification of society. However, the rationalization as a third and important process of modernization has not been very pronounced. The change in ownership and further pressures of efficiency still produce some extra-Fordist elements to production. At the same time with modernization certain postmodern and post-Fordist changes are taking place. It means that the emerging regime of accumulation contains elements of intensive and flexible accumulation. In that transformation the new mechanism of transformation
are developing the democratic political system and the system of new association being the first in importance. (Chojnicki 1995, 359-360).

There is a lot of similarities with Polish in the Baltic development even if the organizational scales and the structures of civil society differ. The main lesson is still the same: The coexistence of different regimes of accumulation and the cyclical nature of crisis and political development. That all testifies the unstable nature of the mode of regulation. The uncertainties of the nature and results of regulation as a process a emphasized also more generally. The regulation is seen as an uneven, tendency-like process and its efficuousness is seen as a result of the interaction of many conditionitonal factors and practices. (Painter-Goodwin 1995, 335).

What comes to merits of regulation theory the main thing is the systemic orientation in similar way as it is with the other theories trying to grasp the interdependencies of institutional realms (for example the theories of integration) and structures has the merit of systemic orientation. It also asks in its own way and inside its own limits, has there been a qualitative change, is there a new relatively coherent mode of regulation, a mode which is a wage work based, capitalistic society with its adequate infrastructure.

If it is assumed that the normative and cultural elements can be integrated to regulation approach then the main limitations of regulation approach are the lack of the problematization of the social differentiation and polarization (by class and gender, and in Baltic and many other cases also according ethnic dimension). The situation is same also same its under sensitiveness to the problems of everyday life and reproduction (Narusk 1995 and 1966) For those problems the abstraction level of regulation theory is too high.

Inside the regulation approach there are many targets and problems for further research.

1. What is the significance of the differences between the objects of regulation (if we for example think the other objects of regulation than economy); and what kind of struggles are going on over the constitution of objects.
2. What is the effect of self- and inter-organizational relations inside the mode of regulation.
3. What are the results (efficuousness) of regulation seen as a process of interaction between discourses and practices.
4. And in more theoretically, what is the relation of the regulation approach to those of social control and governance (cf. Jessop 1995).

I think that it is just the regulation as an ongoing process with uncertainties, breaks and social and spatial unevenness where the significance of concrete sociological studies has its place and merits.

If we ask finally what is the totality of changes. What is the relationship between different elements and dimensions of change. How they are interlinked. Can we interpret that there is a relatively stable new structural-actional logic ("rationality") integrating the Baltic societies and especially are the free the markets enough for the organization and stability of society how it is demanded by western neo-classical policy consultants and their scientific authority, the General Equilibrium Theory. The short answer is that (even) in the Baltics the regulation is uneven with many deists (Blom 1996a). The market logic has not been enough for the development of
labor markets and social security or for the moral integration of society. Further, there is skepticism has it succeeded in the economic field proper either. All this is in line with other remarks about the sufficiency of pure markets in post-socialist transformation (Muller 1995, 278-). The positive side is that it criticizes in itself the economic theory and calls for sociological analysis of transformation with all its cultural and civilizational foundations (see Stztompka 1995).

References


Mahnkopf, B. (1988a) Soziale Grenzen "fordistischer Regulation". In Mahnkopf, ibid.


SOCIAL INTEGRATION IN THE BALTIC STATES

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LATVIA

Introduction
Political independence and regime change, which in the Baltics was achieved following the August coup in the year 1991, provided political and juridical basis for restructuring the state administration and gave the political freedom along with the possibilities of economic initiative. However, to declare freedom and to put it into practice is two quite different things.
The problem is that all state transformations also foresee changes in the behavior, views and values of social members. The first one is obvious - institutions, characteristic of a democratic society have been established (for example, multi-party system, elected parliament, free press, etc.), which can not be attributed to the second - behavior, views and values of residents that are much more difficult to assess.
In a totalitarian society state and the ruling party assume to integrate the society by establishing and politically controlling all institutions and organizations, whereas a democratic order also foresees a self-organization of the society. Therefore integration is secured by “collaboration” between the state and society, the later being a supplement to the totality, which is formed of the state and society. The integration uncovers to what extent the society, being a part of the totality with its activities and functions, is a supplement to this totality. Society as a supplement to the state can be realized provided that some bonds, relations exist, first of all between members of the society and, secondly, between the state and the society - thus we are dealing with horizontal and vertical bonds. The study of these bonds is the principal objective of this article.

Methodological problems:
The following items have been used as indicators of horizontal integration:
1. social network of an individual,
2. orientation towards expanding the social contacts,
3. interpersonal trust,
4. participation in non-governmental organizations,
5. sense of community to the social groups.

The following items have been used as indicators of vertical integration:
1. mass opinion on sources of conflict,
2. political trust,
3. political efficacy,
4. attitude towards a strong leader as a solution to the problems.
Explanation of social causes:
1. autocracy in the family and attitude towards democratic values (family as a miniature model of the society)
2. participation in formal organizations (NGO and trade unions).

**Individual and Social Network**

Social contacts of the individual can form various networks, beginning with the family, friends and expand further into much wider circles of society. Social network is to be considered as a specific social capital, which is difficult to measure. When this capital runs out, an individual feels isolated and alienated, thus he or she is poorly integrated in the society. Durkheim uses it in explanation of causes of suicides.

A. de Tocqueville emphasizes that developed informal contacts are a solid ground for the formation of formal organizations, for example a network of NGOs, which generally furthermore strengthens the horizontal bonds in the society (A. de Tocqueville society: informal network - impersonal institutions).

R. Rose points out that similarly to the errors in the economy, weak sides can be detected also in the special sphere: if social networks are inadequately developed, it should be taken as a social error.

**Measurement problems and empirical indicators**

In order to measure the nearest informal social network the following questions have been used:
1. where would a person turn to in case of difficulty,
2. does a person have somebody to borrow small amount of money in case of financial difficulties.

Approximately every second Baltic inhabitant believes that they could rely only on self in case of difficulties, 25-40% could overcome difficulties with assistance of friends and relatives (informal). 5-10% would rely chiefly on their relatives, friends. There is an insignificant number of those who hope to receive help from employer (2-5%), and the state (2-5%), similar number of people would rely on the church. Hardly any help is expected from public organizations. It indicates that the basis of communicative bond is relatives and friends, in most cases not going beyond family and employer. It can be viewed as one of the indicators of weakly developed civic society.

The principal tendencies in all Baltic countries are similar, there are only minor differences between the countries. Thus it is characteristic of Lithuanians that they are forced to rely only on self less frequently, they expect to receive assistance from relatives and friends (51%), as well as from the church (6%). As regards Estonia, the difference from other Baltic states lies in the fact that residents more frequently expect to receive assistance both from the state and employer. Although there is no great difference, perhaps, it can be considered as a symptom, which testifies about more successful formation of social relationship between an individual and various formal institutions in Estonia in comparison with Latvia and Lithuania.
### TABLE 1

**Social Network in Overcoming Difficulties**

*(in percent)*

a) Who do you rely on first when you have problems? (2 answers allowed)

<table>
<thead>
<tr>
<th>Can rely on ...</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self</td>
<td>88</td>
<td>91</td>
<td>86</td>
<td>86</td>
<td>79</td>
<td>87</td>
</tr>
<tr>
<td>Friends, relatives</td>
<td>31</td>
<td>41</td>
<td>36</td>
<td>34</td>
<td>51</td>
<td>45</td>
</tr>
<tr>
<td>Employer</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>State</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Public organizations, unions</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Charities</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Church</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

b) Relying, combined

<table>
<thead>
<tr>
<th>Can rely on ...</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self only</td>
<td>56</td>
<td>48</td>
<td>51</td>
<td>58</td>
<td>35</td>
<td>46</td>
</tr>
<tr>
<td>Self and informal</td>
<td>26</td>
<td>34</td>
<td>27</td>
<td>23</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Informal only</td>
<td>5</td>
<td>6</td>
<td>8</td>
<td>10</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Informal and formal</td>
<td>9</td>
<td>11</td>
<td>11</td>
<td>6</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Formal only</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>


### TABLE 2

**Social Contacts in Case of Financial Problems**

*(in percent)*

Do you have a friend or a relative to borrow an amount of weekly wages or pension of your family had little money?

<table>
<thead>
<tr>
<th>Friend, relative ...</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes</td>
<td>45</td>
<td>32</td>
<td>34</td>
<td>23</td>
<td>46</td>
<td>35</td>
</tr>
<tr>
<td>Probably</td>
<td>34</td>
<td>42</td>
<td>30</td>
<td>28</td>
<td>35</td>
<td>33</td>
</tr>
<tr>
<td>Probably not</td>
<td>13</td>
<td>16</td>
<td>17</td>
<td>21</td>
<td>11</td>
<td>21</td>
</tr>
<tr>
<td>Definitely not</td>
<td>8</td>
<td>10</td>
<td>18</td>
<td>27</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Combined, those who do not have a friend or a relative to borrow</td>
<td>21</td>
<td>26</td>
<td>35</td>
<td>48</td>
<td>19</td>
<td>33</td>
</tr>
</tbody>
</table>

Approximately 75-80% in Estonia think that somebody could lend them money, this number is almost similar in Lithuania, whereas in Latvia there are fewer people who expect that somebody could lend them a small amount of money (about 65% among Latvians and only each second among non-Latvians). The least number of those who do not have anybody to borrow is among Lithuanians (19%) and particularly among Estonians (21%). We can put forward an assumption that in Estonia the better economic situation of the households gives people a possibility to assist mutually, but in Lithuania it is in turn secured by close ties with the relatives, friends and the church.

There are more Estonians and Lithuanians (about 74-80%) who feel certain that there would be someone to rely on, among Latvians this number is about 65%, but less assured about it are non-Baltic residents (50-60%). In this case it is also apparent that Estonians and Lithuanians feel more secure. Most probably in case of Estonians it is rooted in more stable social security system, which incorporates both the social aid, state insurance system, and benefits on the part of the employer, but in Lithuania the sense of security is strengthened by the strong bonds with the church.

**TABLE 3**

Social Contact In Case Of Serious Illness

*(in percent)*

<table>
<thead>
<tr>
<th>Can rely...</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes</td>
<td>38</td>
<td>25</td>
<td>31</td>
<td>19</td>
<td>42</td>
<td>29</td>
</tr>
<tr>
<td>Probably</td>
<td>37</td>
<td>36</td>
<td>35</td>
<td>32</td>
<td>38</td>
<td>34</td>
</tr>
<tr>
<td>Probably not</td>
<td>17</td>
<td>22</td>
<td>17</td>
<td>24</td>
<td>10</td>
<td>21</td>
</tr>
<tr>
<td>Definitely not</td>
<td>8</td>
<td>17</td>
<td>16</td>
<td>24</td>
<td>10</td>
<td>16</td>
</tr>
<tr>
<td>Combined, those who do not have anybody to rely on</td>
<td>25</td>
<td>39</td>
<td>33</td>
<td>48</td>
<td>20</td>
<td>37</td>
</tr>
</tbody>
</table>


It can be concluded that communication networks of the Baltic state residents most often confine themselves within the family and friends, thus as the basis there is personal relationship, which rarely intermingles with non-personal relationship, characteristic of formal institutions, like NGO. In many cases it can be an obstacle in overcoming difficulties, since rather often these close relatives or friends are indigent as well and in case of necessity they would not be able to provide support, because not only financial, but even moral support can involve expenditure (transport, phone calls etc.)

In Tocqueville’s society the social capital of informal networks and face-to-face local institutions is positively integrated in large impersonal institutions of a nation’s civil society, such as trade unions, churches, universities, political parties, mutual insurance or health funds, etc. Personal contacts as if naturally pass over to broader formal organization contacts. It is essential to point out that this transition does not
create a conflict of interests between private communication on the one hand and public communication on the other hand. It considerably differs from the communication models of the Soviet times, when there were personal communication networks with prevailing personal interests on the one hand, and communication networks that represented the interests of the society on the other hand, which actually were identified as “interests of the state”. It produced a strong stereotype about incompatibility of private and public interests, there was a contrast between these notions. The case when state and personal interests do not supplement each other, but on the opposite are in collision. This is alienation between an individual, society and state.

Stereotype about incompatibility of interests of an individual and society is strong and particularly topical at the moment. Most probably it considerably hinders the development of social capital in transitive societies, since people experience problems in stepping across the border, which they have set up themselves: contrast of private and public interests. It restrains people to unite, get involved in various communities, participate in organizations - to integrate into the society. It could be said that the widespread stereotype about incompatibility of interests of an individual and society is one of the essential features of transitive society.

**Orientation of Baltic Residents Towards the Expansion of Social Contacts**

In order to have a possibility to expand the individual communicative network the stand of an individual towards impersonal network formation is important. In this connection there was a question asked in the questionnaire: the best way to get ahead is to cooperate with others in this community to promote common interests, either: the best way to get ahead is to look after oneself and not bother with what other people do. The possibilities offered by cooperation are assessed more highly by Estonians than by Latvians or Lithuanians. It appears that in Estonia there are both more people who are members of non-governmental organisations and also those who consider that cooperation is useful in order to achieve the objectives. It is also interesting that Estonians support cooperation more than non-Estonians, whereas in Latvia the situation is different - non-Latvians support it more than Latvians. The attitude of minority nationalities of the Baltics towards cooperation is quite similar, but the attitude of Baltic majority nationality differs considerably: among Estonians positive stand towards cooperation was expressed by more than 50%, but among Latvians - less than 40%, similarly to Lithuanians.
FIGURE 1
Attitudes of Baltic Residents Towards Cooperation in Order to Promote
Common interests
(in percent)
The best way for people like me to get ahead is to cooperate with others in this
community to promote common interests

Sources: Rose R. Vilomorus, Baltic Data House & Saar Poll. New Baltic
Rose R. New Baltic Barometer II. University of Strathclyde, 1995.

Baltic residents about interpersonal trust

In order to widen the impersonal network, the stand of an individual about whether
people can be trusted is important. It appears that, among Estonians, if we compare
Latvians and Lithuanians, there are more people who think that people can be
trusted. Thus Estonians are both more inclined to cooperate and have more trust in
people. Interpersonal trust and orientation towards cooperation are correlated and
these can be viewed as an indicator of democratization of society. R. Inglehart
makes use of the findings of World Values Survey (1990-1991) to point out the link
between the interpersonal trust and experience of democracy (period, since which
the democratic regime is in place). These findings revealed that in such new-
democracy countries as Latvia, Chile, Byelorussia, South Africa, Lithuania, Poland,
etc. there is a low interpersonal trust, yet in countries with long democratic tradition,
for example, US, UK, Canada, Scandinavian countries, interpersonal trust is much
higher. As far as Latvia is concerned it can be added that interpersonal trust has not
increased since 1990, when first measurement of this type was carried out. It is quite
an interesting fact that testifies that the pace of changes is different in various life
spheres. It implies that changes have not occurred in the comprehension of moral
aspects of interpersonal communication, however at the same time it is recognized,
that essential political, social and economic changes have taken place in the society.
Streaming Towards Social Stability

It ascertains that social capital development, changes in the way of thinking of people happen at a much slower pace than the social and economic changes. It can be viewed as a factor, which notably hinders the course of social changes, which is of great importance in the transitive society.

**FIGURE 2**

**Attitude of Baltic Residents Towards Interpersonal Trust**

*(in percent)*

Most people can be trusted (Positive answers)

![Bar Chart](chart)


*Participation in non-governmental organizations (NGO)*

Among the Baltic countries the residents Estonia are participating more in NGOs (about 10%), particularly Estonians (13%), among residents of Lithuania there are 7% NGO members, more Lithuanians (8%) than Lithuanian Russians (5%), as to the residents of Latvia only about 5% are participants of NGO.

These results corroborate help to corroborate what has been said in the above chapter: the fact is obvious that in Estonia the network of informal organizations is developing more successfully, which allows the individual to broaden his or her communication network. There is also a possibility that social capital of informal networks is gradually positively integrated into various impersonal organizations.
Socio-economic characteristics of Baltic NGO members

Socio-economic situation of NGO members is higher than that of non-participants of NGOs. For example, approximately 5% of the residents of Latvia are NGO members; among them there are more people with higher qualifications: about 13% of NGO members are trained supervisors, 8% - non-manual without subordinates and only 4% of NGO members are unskilled manual workers. NGO members also have a higher level of income in comparison with the average level. Most members are aged 30-65, the age group 50-65 stands out particularly. NGO participation is considerably lower among young people than among senior citizens. The fact that there is a small number of NGO members among rank and file can be viewed as a drawback. The same can be applied to Estonia and Lithuania.

Sense of community with various social groups among individuals

The measurement of sense of community could testify about integration on a horizontal level, namely, among various strata of society not concerning the elite. At present the residents of Baltic states have most in common with their corresponding national group. It applies to both Latvians, Estonians, Lithuanians and Russians. The sense of community among Estonians was at the highest in 1993 (86% feel that they have a lot in common with their national group), whereas for Latvians and Lithuanians it is characteristic that in the past three years the sense of community has increased. However, the sense of community of Baltic residents with their majority nationality has not increased whatsoever. Lithuanian Russians seem to be more integrated in Lithuanian environment, however, it is a common knowledge that their number is notably lower in comparison with Latvia and Estonia.
How much do you have in common with each of the following groups?  
**Estonians/Latvians/Lithuanians**

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>EstEst</td>
<td>24%</td>
<td>28%</td>
<td>13%</td>
</tr>
<tr>
<td>EstRus</td>
<td>63%</td>
<td>74%</td>
<td>80%</td>
</tr>
<tr>
<td>LatLat</td>
<td>76%</td>
<td>82%</td>
<td>83%</td>
</tr>
<tr>
<td>LatRus</td>
<td>31%</td>
<td>43%</td>
<td>21%</td>
</tr>
<tr>
<td>LitLit</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>LitRus</td>
<td>86%</td>
<td>84%</td>
<td>83%</td>
</tr>
</tbody>
</table>


In the past three years the sense of community among Russians has increased in all Baltic states - it especially pertains to Estonia, less to Latvia and even lesser to Lithuania.

If we compare the social distance between the Baltic majority nationality groups on the one hand and Russians residing in the corresponding country on the other hand, it can be observed that the greatest social distance exists between Estonians and representatives of other nationalities living in Estonia, the distance is less notable in Lithuania. It should be particularly stressed that in 1996 the number of those non-Baltics in Estonia and Lithuania who feel a sense of community with Estonians and Lithuanians correspondingly, has decreased. It indicates that the integration process of representatives of other nationalities in these countries is rather problematic. The findings of the study show that sense of community with the own ethnic group has strengthened in the past few years - it refers both to the Baltic nationalities and non-Baltics. However, the integration between the majority nationality minority nationality has not occurred.
FIGURE 5
Sense of Community With The Majority Nationality
(in percent)

How much do you have in common with each of the following groups?

Russians

<table>
<thead>
<tr>
<th>Year</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>62%</td>
<td>9%</td>
<td>7%</td>
<td>52%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>1995</td>
<td>70%</td>
<td>9%</td>
<td>4%</td>
<td>52%</td>
<td>51%</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>73%</td>
<td>14%</td>
<td>4%</td>
<td></td>
<td>65%</td>
<td>57%</td>
</tr>
</tbody>
</table>


Approximately every third Baltic resident has a strong sense of community with the workers. It is more characteristic for non-Estonians and non-Latvians than for Estonians and Latvians: in the past three years their affiliation to workers has increased. The attitude of Latvians and Estonians towards workers has not altered. As to Lithuania, the sense of community with workers has decreased among both Lithuanians and non-Lithuanians.

Slightly smaller, in comparison with the attitude towards workers, is the number of those, who feel sense of community with educated people. However, in the past three years this number have been increasing. It is particularly characteristic of Estonians and Latvians, to a lesser extent to non-Baltics. Non-Latvians are the only of the examined groups, in which the sense of community with educated people has declined.
FIGURE 6
Sense of Community With The Majority Nationality
(in percent)
How much do you have in common with each of the following groups?

Workers

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>EstEst</td>
<td>35%</td>
<td>35%</td>
<td>43%</td>
</tr>
<tr>
<td>EstRus</td>
<td>36%</td>
<td>36%</td>
<td>43%</td>
</tr>
<tr>
<td>LatLat</td>
<td>29%</td>
<td>32%</td>
<td>30%</td>
</tr>
<tr>
<td>LatRus</td>
<td>42%</td>
<td>28%</td>
<td>30%</td>
</tr>
<tr>
<td>LitLit</td>
<td>37%</td>
<td>36%</td>
<td>27%</td>
</tr>
<tr>
<td>LitRus</td>
<td>27%</td>
<td>28%</td>
<td>27%</td>
</tr>
</tbody>
</table>


FIGURE 7
Sense of Community With The Majority Nationality
(in percent)
How much do you have in common with each of the following groups?

Educated people

<table>
<thead>
<tr>
<th></th>
<th>1993</th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>EstEst</td>
<td>20%</td>
<td>25%</td>
<td>28%</td>
</tr>
<tr>
<td>EstRus</td>
<td>19%</td>
<td>21%</td>
<td>25%</td>
</tr>
<tr>
<td>LatLat</td>
<td>23%</td>
<td>21%</td>
<td>24%</td>
</tr>
<tr>
<td>LatRus</td>
<td>23%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>LitLit</td>
<td>22%</td>
<td>21%</td>
<td>29%</td>
</tr>
<tr>
<td>LitRus</td>
<td>22%</td>
<td>21%</td>
<td>29%</td>
</tr>
</tbody>
</table>

Approximately every fifth Baltic resident feels much in common with the middle class. There is a smaller number of such people among residents of Lithuania, whereas every third Estonian Russian feels much in common with the middle class. As to Latvians, the sense of community with middle class has increased slightly over the past year, which could suggest the strengthening of middle class in Latvia.

**FIGURE 8**
Sense of Community With The Majority Nationality  
* (in percent)  

How much do you have in common with each of the following groups?  
**Middle class**

<table>
<thead>
<tr>
<th></th>
<th>1995</th>
<th>1996</th>
</tr>
</thead>
<tbody>
<tr>
<td>EstEst</td>
<td>17%</td>
<td>21%</td>
</tr>
<tr>
<td>EstRus</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>LatLat</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>LatRus</td>
<td>22%</td>
<td>17%</td>
</tr>
<tr>
<td>LitLit</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>LitRus</td>
<td>18%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Rose R. New Baltic Barometer II. University of Strathclyde, 1995.

Religious affiliation forms the sense of community in Lithuania to a large extent, it particularly refers to Lithuanians. The statements expressed by Latvian and Estonian Russians ascertain that their religious affiliation has decreased in the past two years. It is possible that freedom of religious consciousness, which was provided by the regime change caused an elevated interest in religion, which gradually decreased.

Farmers is the social group with which the Baltic nationalities feel considerably more in common than Baltic Russians. The largest number of those, who have expressed the sense of community with the farmers is among Estonians (each fifth), among Latvians about every seventh, among Lithuanians each tenth.
FIGURE 9
Sense of Community With The Majority Nationality
(in percent)

How much do you have in common with each of the following groups?
Estonia and Latvia: Lutherans. Lithuanians: Catholics. Russians: Orthodox


FIGURE 10
Sense of Community With The Majority Nationality
(in percent)

How much do you have in common with each of the following groups?
Farmers

Entrepreneurship is still a rather new phenomenon in the Baltic states, therefore it is understandable that there is a small number of those who feel affiliated to this group. Taking into account the fact that Estonia has the best economic indicators among the Baltic states, it is interesting to note that the number of people feeling much in common with entrepreneurs has increased in the past few years. It signifies that the data on sense of community with various social groups can be viewed as a singular mirror of social stratification.

**FIGURE 11**

Sense of Community With The Majority Nationality  
*(in percent)*

How much do you have in common with each of the following groups?  
People in business for themselves, entrepreneurs

<table>
<thead>
<tr>
<th>Year</th>
<th>EstEst</th>
<th>EstRus</th>
<th>LatLat</th>
<th>LatRus</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>4%</td>
<td>7%</td>
<td>6%</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>1995</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
<td>7%</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>1996</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>


Green movement is not popular in the Baltic states. There is a very small number of those, who feel affiliated to this group. It can be explained by the sharp social-economic problems, problems of survival, which each individual has to face. These problems have overshadowed the ecological problems, which have been greatly discussed by broad masses in the late eighties in this way actually expressing the protest against the soviet regime in a disguised way.

The residents of Baltic states have expressed the sense of community with the former communists to a least extent, it can only be added that there is a little larger number of Baltic Russians in comparison with the residents of other Baltic nationalities.
FIGURE 12
Sense of Community With The Majority Nationality
(in percent)

How much do you have in common with each of the following groups?

Green movement, ecologists

![Bar Chart](image)


FIGURE 13
Sense of Community With The Majority Nationality
(in percent)

How much do you have in common with each of the following groups?

Former Communists

![Bar Chart](image)

Assessing the sense of community of residents of the Baltic states to various social
groups, it can be concluded that the strongest integrating factor is nationality: from 51 - 88% have mentioned that they feel affiliated to one of the largest national
groups in the Baltics.
Approximately every third Baltic resident feels affiliated to the workers, each fifth -
to the middle class. The most distinct difference is in the attitude towards religion: Lithuanians are most affiliated to it, whereas Estonians - least affiliated. The majority of Baltic residents feel distanced from entrepreneurs, green activists and former communists. It would also be important to point out that in the past few years the sense of community with the educated people, middle class, and entrepreneurs (in Estonia) has increased.

State Power and Society: Political Trust and Efficacy
Political trust and efficacy are essentially the indicators of social integration. A
distinct distance is characteristic for the Baltic societies between the masses and the
higher state power structures.
First of all there is a great discrepancy between the opinion of the masses and the
leaders about the trust in the basic state institutions. 50-70% of leaders express trust
in the Cabinet, ministers and Seima (parliament), whereas only 20-30% of common
residents trust in these institutions.
Second, the answers to the following questions testify about the alienation of the
masses from the highest state structures:

1. If the local authorities made a decision which went against people’s interests, do you think you could do something about it or not?
2. If the national government made a decision which went against people’s interests, do you think you could do something about it or not?

In both cases 75 - 85% of the residents of Latvia gave a negative reply - they think they could probably not do anything about it. It indicates that people are alienated from state structures, there is also less trust in those structures. Furthermore, it restricts contacts between the society and leaders. There exists a network of contacts both in the higher and lower level, yet there are hardly any bonds that would unite both those levels. In reality power structures and totality of residents as if form a pattern of sundial: there is an extension at the top and at the bottom, but the link in the middle is scarcely visible. Virtually it almost excludes control “from the bottom”, the possibilities of social capital are being ignored.
FIGURE 14
The Attitude of Baltic Residents Towards Possibilities to Influence the Decision of local authorities
(in percent)
If the local authorities made a decision that went against people’s interests, do you think you could do something about it or not (probably not + not a chance)


FIGURE 15
The Attitude Of Baltic Residents Towards Possibilities To Influence The Decision Of national government
(in percent)
If the national government made a decision that went against people’s interests, do you think you could do something about it or not (probably not + not chance)

It must be stressed, however, that among those who are members of non-governmental organizations, almost each second is confident that he or she could do something about decisions of power structures if they went against people’s interests.

**Orientation towards a strong leader**

In the Baltics, similarly to other new-democracy countries, there is a disappointment in the democracy and as a result of this the idea about a strong leader is being considered. Formulation of the question: *It is best to have a strong leader who can quickly decide things without bothering with Parliament and elections* undoubtedly defined authoritative regime. Approximately as much as 40% of residents of Latvia and Estonia think that strong leader could be able to solve numerous problems, there are even more supporters of strong leader in Lithuania - each third resident.

**TABLE 4**  
**Attitude of Estonians Towards a Strong Leader (1995-1996) as Compared to the Opinion of Eastern European (EE) Residents**  
*(in percent)*

<table>
<thead>
<tr>
<th></th>
<th>Estonians</th>
<th>Others</th>
<th>EE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95</td>
<td>96</td>
<td>95</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>13</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>23</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>28</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>36</td>
<td>35</td>
<td>29</td>
</tr>
</tbody>
</table>


Residents of Estonia support the necessity of a strong leader more than Eastern Europeans, yet it is to be emphasized that it is to a lesser extent than in other Baltic countries; opinion of Estonians comes closest to that of Eastern Europeans if we compare it with other Baltic states. The preliminary analysis ascertains that Estonian residents are to a considerable degree more involved in formal organizations, they give higher assessment to cooperation possibilities in promoting common interests. The fact that Estonians have felt the role of horizontal communication most probably allows them to be more restrained towards the idea of a strong leader in solving the problems. Supposedly the Estonian case claims how important is the development of social capital since, obviously, it could hinder the formation of orientation in the direction of authoritative regime.
TABLE 5
Attitude of Residents of Latvia Towards a Strong Leader (1995-1996) as Compared to the Opinion of Eastern European (EE) Residents (in percent)

It is best to have a strong leader who can quickly decide things without bothering with Parliament and elections

<table>
<thead>
<tr>
<th></th>
<th>Latvians</th>
<th>Others</th>
<th>EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>9</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>30</td>
<td>30</td>
<td>17</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>26</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>35</td>
<td>28</td>
<td>49</td>
</tr>
</tbody>
</table>


As can be seen from the above table, in Latvia the number of those supporting the idea of a strong leader has increased in Latvia in the past two years.

TABLE 6
Attitude of Residents of Lithuania Towards a Strong Leader (1995-1996) as Compared to the Opinion of Eastern European (EE) Residents (in percent)

It is best to have a strong leader who can quickly decide things without bothering with Parliament and elections

<table>
<thead>
<tr>
<th></th>
<th>Lithuanians</th>
<th>Others</th>
<th>EE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>34</td>
<td>25</td>
<td>12</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>33</td>
<td>37</td>
<td>17</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td>15</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>18</td>
<td>22</td>
<td>49</td>
</tr>
</tbody>
</table>


Among Lithuanians, compared with other ethnic Baltic groups, the orientation towards authoritarianism is most distinct: 62% of Lithuanians support the necessity of a strong leader.
The opinion of Baltic residents on the source of political conflicts

The public opinion about the source of political conflict also testifies about the attitudes between the masses and political elite: whether or not conflicts can break out between the national groups and whether or not the source of these conflicts are hard line nationalist politicians.

The majority of Baltic residents express an opinion that national conflicts are not expected in the Baltic states. Moreover, in the past three years the number of those, who think that such a conflict is possible has even more decreased, it particularly refers to Latvia. In 1993 approximately 11% of both Latvians and non-Latvians considered that national conflict is possible in Latvia, whereas in 1996 only 3-5% have expressed such opinion.

Nevertheless, as regards hard line nationalists, the Baltic residents view them as a main threat to the peace and security. Latvians and Estonians think that hard line nationalist politicians in Russia is the biggest threat to the stability whereas Baltic Russians in turn think that insecurity is posed by local hard line nationalist politicians. Most sharply these mutual fears are expressed by Estonian residents: approximately 30% of Estonians view hard line nationalist politicians in Russia as a serious threat to the stability, but 20% of Russians residing in Estonia concede that such threat can come from hard line nationalist politicians. Similar picture can be observed in Latvia: each fourth Latvian sees threats in Russian politicians, but each ninth Russian sees it in Latvian politicians. It is characteristic also for Lithuania, only to a lesser extent.

**FIGURE 16**

The Opinion Of Baltic Residents About The Possibilities Of Ethnic Conflict (in percent)

Do you think conflicts between (majority nationality) and Russians resident here are a threat to the peace and security of this country?

These data are to be considered as a testimony that there exists a deep detachment of interests between the political elite and the masses - common people, and that there is also a different interpretation of political life among these groups. It is one of the indicators ascertaining the weak integration of the society - the vertical integration in particular.

**FIGURE 17**
The Opinion of Baltic Residents About
Hardline Nationalist Politicians in Russia
*(in percent)*

Do you think hardline nationalist politicians in Russia are a threat to the peace and security of this country?


**FIGURE 18**
The Opinion Of Baltic Residents About Hardline Nationalist Politicians
*(in percent)*

Do you think hardline nationalist politicians in this country are a threat to the peace and security?
Authoritarianism in the Family and Social Resources

In their studies Almod & Verba put forward an idea that in the family and at school, which are important socialization institutes we can rather frequently see authoritarian relationship models, but it is possible that parents or school admit a certain level of freedom, namely, gives an opportunity for children to participate in important decision making in the family. Almod & Verba proposes an idea that participation in family’s decision making can foster participation of an individual in the status of an adult. Similarly to Almod & Verba, we also asked questions in our project about whether or not the Baltic residents have felt free enough in childhood in order to have some influence over the family’s decision making, and whether or not they had an opportunity to express discontent, protest against injustice at school.

<table>
<thead>
<tr>
<th></th>
<th>Est</th>
<th>Est Rus</th>
<th>Lat Lat</th>
<th>Lat Rus</th>
<th>Lit Lit</th>
<th>Lit Rus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Could influence decisions</td>
<td>50</td>
<td>53</td>
<td>49</td>
<td>49</td>
<td>47</td>
<td>51</td>
</tr>
<tr>
<td>It was not possible</td>
<td>38</td>
<td>40</td>
<td>38</td>
<td>41</td>
<td>32</td>
<td>36</td>
</tr>
<tr>
<td>Difficult to answer</td>
<td>12</td>
<td>8</td>
<td>14</td>
<td>10</td>
<td>22</td>
<td>13</td>
</tr>
</tbody>
</table>


On the average every second has mentioned that he or she has had a possibility to influence family’s decision making. If we compare these data with the findings of Almod & Verba research, it appears that we have the closest results to Italy (48%) and Germany (54%), but as regards UK and USA - in these countries children have much higher influence on family’s decision making (US 73%, UK 69%).

However, a question was asked about whether the atmosphere in the family has promoted the understanding of democratic values, whether it has promoted orientation towards participation, towards cooperation in promoting common interests. The findings of the study show that there is no difference in most cases in understanding of democratic values, yet there is difference in the issues about authoritarian leader - it is less supported those people who have had an opportunity to participate in family’s decision making. It must be particularly stressed that in this group there are more people who believe that it is possible to do something if the local authorities or national government made a decision that went against people’s interests. On the average every fifth resident of Latvia believes in such a possibility, but this number is slightly higher among those who have had an opportunity to influence family’s decision making - each fourth. Although there is a minor difference, still it confirms a certain coherence between the atmosphere in the family and the attitude towards an authoritarian leader in the society.
Initiative at School and Attitude towards Democratic Values

As regards the possibilities to express ones discontent, protest at school it can be concluded that Baltic residents have been here even more active than residents of some Western countries (approximately 20% in the Baltic states, 11%, in Italy, 12% in Germany, 16%, in UK, only the US residents have expressed much more active protest in school years.

Besides it should be mentioned that among those who have expressed protest, discontent at school there are more such people who believe that it is possible to influence both the decisions of local authorities and national government, they also give higher estimation to the possibilities if cooperation. It indicates that democratic atmosphere at school is the factor that promotes comprehension of democratic values and development of social capital.

| TABLE 8 |
| Residents of Baltic States About the Possibilities to Express Discontent, to Protest Against Injustice at School (in percent) |

<table>
<thead>
<tr>
<th>When you were attending school did you have an opportunity to express discontent, protest against injustice in the school? And if so, did you do this?</th>
<th>EstEst</th>
<th>EstRu</th>
<th>LatLat</th>
<th>LatRu</th>
<th>LitLit</th>
<th>LitRus</th>
</tr>
</thead>
<tbody>
<tr>
<td>There was an opportunity and I did so</td>
<td>21</td>
<td>28</td>
<td>18</td>
<td>23</td>
<td>20</td>
<td>27</td>
</tr>
<tr>
<td>There was an opportunity but I did not do so</td>
<td>21</td>
<td>23</td>
<td>11</td>
<td>29</td>
<td>18</td>
<td>20</td>
</tr>
<tr>
<td>There was no opportunity</td>
<td>41</td>
<td>41</td>
<td>48</td>
<td>36</td>
<td>48</td>
<td>40</td>
</tr>
<tr>
<td>Difficult to answer</td>
<td>17</td>
<td>6</td>
<td>11</td>
<td>13</td>
<td>14</td>
<td>13</td>
</tr>
</tbody>
</table>


Participation in Formal Organizations and Democratic Values

NGO members are rather often more determined in their attitude towards various state and public institutions: rather often they give both positive and negative estimation of the institutions, it refers to both the estimation of basic state power structures in Latvia, e.g. Saeima, the Cabinet, and also in the attitude towards other institutions (farmers’ organizations, private entrepreneurs), NGO members have given less uncertain answers in comparison with others. In Latvia NGO members trust more often in officials, army, farmers, organizations, private entrepreneurs, trade unions, state president. However there are no such institutions, to which NGO would give lower trust estimation in comparison with others. It indicates that NGO participation fosters approximation of people to various formal organizations, also state organizations.
Similar coherence can be observed in Estonia: NGO members more than others have expressed more trust in the parliament, army, private entrepreneurs, as well as the Bank of Estonia and church.

As regards the viewpoint about how to achieve best success: in cooperating with other people or just relying on oneself, only a slight prevalence among Latvian NGO members is in favor of the first opinion, in Estonian this prevalence is more evident.

**TABLE 9**

**Attitude of NGO Members Towards the Cooperation (in percent)**

<table>
<thead>
<tr>
<th>The best way for people like me to get ahead is to cooperate with others to promote common interests</th>
<th>Are NGO members</th>
<th>Are not NGO members</th>
<th>dk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latvia</td>
<td>41</td>
<td>35</td>
<td>6</td>
</tr>
<tr>
<td>Estonia</td>
<td>58</td>
<td>48</td>
<td>10</td>
</tr>
</tbody>
</table>


One of the topical political problems in the Baltics is political alienation, i.e. people feel distanced from power structures, they have no faith that they could influence the political decisions, regardless of whether it is on the level of local authority or national level. The research carried out in Latvia (1994 - 1996) suggests that \( \frac{3}{4} \) of the residents do not believe that they could influence the decisions of local authorities or the government. Different opinion is held by those who are NGO members - in Latvia approximately each second among them thinks that it is possible to influence political decisions. Also Estonian NGO members have a similar stand on the issue. Although it is true that in relation to the possibilities to influence the governmental decisions Estonian NGO members are less optimistic in comparison with Latvian NGO members.

**TABLE 10**

**Attitude of NGO Members Towards the Possibilities to Influence the Decisions Passed by the Government and Local Authorities (in percent)**

<table>
<thead>
<tr>
<th>(definitely+probably)</th>
<th>Latvia</th>
<th>Estonia</th>
</tr>
</thead>
<tbody>
<tr>
<td>NGO members</td>
<td>All</td>
<td>NGO members</td>
</tr>
<tr>
<td>Possibility to influence the decisions passed by the local authorities</td>
<td>48</td>
<td>19</td>
</tr>
<tr>
<td>Possibility to influence the decisions passed by the national government</td>
<td>43</td>
<td>16</td>
</tr>
</tbody>
</table>

We can therefore conclude that generally there are very weak vertical bonds in the
Baltics, which could promote the relationship between the masses and the political
elite, distinct alienation can be observed between the common people and political
elite.

As was already mentioned above there is a considerable support for the idea of
strong leader. However, among the NGO members this opinion is much less
prevalent - it can be referred to both Latvia and Estonia.

These data seem to be of great importance because they indicate that people, who
have broader social network understand the opportunities offered by cooperation
thus they do not approve of a strong leader.

**TABLE 11**

Attitude Of NGO Members Towards the Necessity of a Strong Leader

*(in percent)*

<table>
<thead>
<tr>
<th></th>
<th>Latvia: yes</th>
<th></th>
<th>Estonia: yes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NGO members</td>
<td>All</td>
<td>NGO members</td>
</tr>
<tr>
<td>It is best to have a strong leader who can quickly decide things without bothering with Parliament and elections</td>
<td>36</td>
<td>48</td>
<td>34</td>
</tr>
</tbody>
</table>

**Source:** Rose R. Vilomorus, Baltic Data House & Saar Poll. New Baltic

**FIGURE 10**

Trade Union Participation

*(in percent)*

![Chart showing trade union participation](chart)

**Source:** Rose R. Vilomorus, Baltic Data House & Saar Poll. New Baltic

The members of trade unions are more often people with higher socio-economic
status (qualified employees, higher rank and higher level of education). Affiliation
to the trade union does not influence the attitude towards cooperation and attitude towards democratic values. The only difference is that trade union members have more trust in various social institutions. It is obvious that NGO members are more orientated towards cooperation, they understand the opportunities of cooperation better than trade union members, where in most cases it is only membership without active participation. Trade union membership is rather formal thus it can to a lesser extent form and influence attitudes towards democratic values.

Knowledge of State Language as Condition of Integration

Estonian, Latvian and Lithuanian languages serve as state languages in the corresponding Baltic countries. Taking into account the fact that in the soviet time the official communication language was only Russian many Russians did not master the Baltic languages and some of them do not know those languages till the present moment, although state knowledge proficiency is the condition of acquiring citizenship.

<table>
<thead>
<tr>
<th>TABLE 12</th>
<th>Knowledge of Languages Of Baltic Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In what languages can you carry on a conversation?</strong></td>
<td>Est</td>
</tr>
<tr>
<td>In Latvian (Estonian, Lithuanian)</td>
<td>100</td>
</tr>
<tr>
<td>Russian</td>
<td>81</td>
</tr>
<tr>
<td>English</td>
<td>24</td>
</tr>
<tr>
<td>German</td>
<td>14</td>
</tr>
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</table>


Representatives of other nationalities residing in Lithuania have the highest state language proficiency (79%), in Latvia this each second non-Latvian knows Latvian (53%), but in Estonia this number is even smaller - 43%. The preliminary analysis revealed that there is the greatest distance between majority nationality and minority nationality in Estonia. Supposedly the knowledge of state language is a considerable obstacle hindering the integration of non-Baltics. Yet motivation is very important in language mastering. The estimation of the statement *people like us should not be made to learn Estonian, Latvian, Lithuanian* shows that non-Estonians have expressed most frequent support for the opinion that it is unnecessary to learn the national language. Similar opinions have been expressed by each second non-Lithuanian and approximately 40% of non-Latvians. It can be seen that approximately each second non-Baltic resident denies the necessity of learning the national language. It is also obvious that both the lack of knowledge of the and weak motivation to learn it is a serious obstacle for integration of representatives of other nationalities in the societies of the Baltic states.
Conclusions

Generally it can be concluded that the course of integration processes in the Baltic states is similar, also the problems are quite identical. However, there are also some differences and peculiarities characteristic of each country.

One of the major problems in the Baltic countries and other post-communist states is the low political trust and efficacy, which are essential indicators of integration of the society. Plain distance between the masses and higher state power structures is characteristic of the Baltic state societies.

The study allows to make an important conclusion that the participation of residents in formal organizations, NGOs in particular, considerably fosters political trust and also increases efficacy. It can be particularly referred to Estonia, where participation in formal organizations is higher than in other Baltic states. Participation in formal organizations also reduces the importance of the estimation of an authoritarian leader. People with a broader social network feel more cooperation opportunities and they rely less on a particular leader.

Although it is characteristic for the Baltic states that in most cases the individuals are satisfied with the non-formal social network, still it must be pointed out that Estonians are more predisposed to cooperate in order to promote common interests, among them there are more such people, who think that most people can be trusted, Estonians also broaden their formal social network more often.

About the sense of community with various social groups it can be deduced that the strongest integrating factor is the nationality: 51-88% have mentioned that they feel affiliated to one of the majority nationality groups of the Baltic states.

The sense of community with educated people, middle class and entrepreneurs (in Estonia) has increased in the Baltic states over the past few years.

It must also be emphasized that during the period of the past few years (1995-1996) the sense of community with the own ethnic group has strengthened, it can be attributed to both majority and minority nationalities, yet the integration between these groups has no occurred.

References


THE CHANGING DOMINANT SCHEMA OF SOCIAL STRATIFICATION IN LITHUANIA

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Introduction

No one argue, that status characteristics constitute significant elements of groups and societal stratification systems, and understanding their creation has theoretical and practical importance. In most instances, stratification and social mobility in the former socialist countries in East Europe have been surveyed using classification and analytic schemes similar to ones previously developed in the United States and other western countries, and findings have usually been surprisingly similar (Mikk Titma, Nancy Tuma). There is a consensus to some extent among the sociologists on the fact that traditional theoretical tools don’t work well with the study of the new reality in Easter Europe. In principle, this means that, instead of the traditional deductive approach based on the existing theory tradition, one has to examine the subject from the inductive, generative angle (Timo Piirainen, 1995).

Some years ago, Murray Webster (1998) generalized Ridgeway’s (1991) pathbreaking theory of status construction in three stages. First, he showed that a conceptual change, using goal objects instead of exchangeable resources, permits to explain the creation of many more status characteristics. Second, he explicated an interaction mechanism, behavior interchange patterns, that can transform other characteristics into status characteristics, even creating status differences where no characteristic is salient. Third, he showed how new characteristics themselves can be created and given status value from deviance and personality attribution processes.

Sociologists from former socialist countries meet with difficulties arising from the new social reality and a lot of theories dealing social structure in different countries, as well. It is understandable, that societies vary qualitatively in their stratification systems and not simply in the number and composition of social strata. I support Mikk Titma’s and Nancy Tuma’s idea, that “the main dimensions on which society is hierarchically organized are not always the same, and even when they are the same, their relative importance and organization can differ dramatically”. May be, many others share the opinion that we are just at the beginning in the search of social groups or social classes in the Baltic countries. The ideas we adapt come from parallel programs of theoretical and empirical investigations; they were discovered and formulated by other sociologists. Our intended contributions are (1) to adapt these ideas to problems of creating criteria of social stratification; (2) to suggest how new characteristics may develop in a society through changes in norms and related attribution and enforcement practices.
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Not surprisingly, interest in status can be traced to the earliest days of sociology. Weber ([1922] 1968) viewed status characteristics as connoting social worth and therefore as part of a society's stratification system, along with wealth and power. In the second half of this century, theorists have analyzed status as an organizing principle of social systems. Darendorf (1959,p.282) concluded that society is defined through its various status categories (Webster,1998).

We are trying to proceed from positional analysis and the question about the main purposes of research on social stratification are important to the analysis of the relevance of social groups in social life:

- If the purpose is to describe the distribution of people across strata (then one can just count the number of various strata);
- If it is essential to understand the real organization within and between social groups ( to determine the primary social forces, the main social actors, the nature of the interrelationships among such actors);
- If the objective is to compare different countries (in terms of the degree of social inequality, etc.)
- If we are trying to fix and create society's image of itself in terms of basic social divisions. Some others emphasize that this image has consequences for the way it functions as a social system. Dominant schemes form natural bases of self identification of individuals and influence individuals lives' in a variety of ways.

Different authors problemize the context of stratification research and ask also directly or indirectly the adequacy of the stratification models developed mainly for different societal (structural) conditions than that emerging in post-socialist countries. We understand this as the second actual question for sociologists about the relationship between conceptual schemes and societal structures:

- Do various schemes for measuring social hierarchy reflect genuine societal structures or are they only scientific instrument (Mikk Titma, Nancy Tuma). The answer is that some do and others do not. But to understand the way society really works, one needs to use a scheme that reflects basic societal structures.
- But a scheme can be useful scientifically and still not measure a real division among groups in society.
- Some schemes did not correspond to the true organization of society (examples from the Soviet period).
- Dominant schemes do influence to the self-organization of society and the strata in which social groups are placed (e.g., all official statistics, in the census, are reported on the basis of the concrete scheme. Even the social and self-identification of individuals are based on this scheme, reflecting its pervasive presence in the official ideology).

Quite often specific groups are defined towards which different social policy measures are applied. It is always crucial to define such groups in case of labor market policy: defining employers, self-employed, employees and unemployed. As hired labor is the mean of existence for most people, the aim of state social policy (first of all of labor market) is - to provide possibility to ensure the means of existence for all who can and want to work. In fact it is often asked, if it is possible to consider these groups as social groups. Social group if formed of people having at
least one common essential trait in the respect of classification, which determines their different status in the society comparing to the other social groups. The processes leading to different results in different historical conditions sometimes rise the question about the impact of theoretical model to the evaluations of its, for example, structural size (e.g., Harri Melin, 1995). Not the wish to adapt one or another theoretical approach, but the necessity to fix the real social changes of stratification structure in our country with the aim to forecast and base the formation of new social classes and strata, makes us look for and base the criteria which look the most suitable, i.e.:

- best describe social class or strata;
- involve approximately all population
- the divisions between the social classes or strata according these criteria are an important social boundaries and relevant to many aspects of the lives of individuals
- it is possible to fix the described social classes or strata in public consciousness.

Features of Economic Organization that Affect Social Stratification

Nobody argue that a basic factor determining social stratification within a society is the organization of the economy. Important societal structure on which stratification is based, especially in some countries, concerns the way the economy is organized into productive units and how these productive units are linked together and related to one another (e.g., the industrial or agricultural structure, sectors or branches of the economy, etc.). Officials openly recognize the social organization of economic life in terms of a large and disparate set of actors, many of which more often have overlapping boundaries and no clear hierarchical arrangement (e.g., employers, firms, banks, employees...). It is important to consider (and different approaches and concepts differ) what features of economic organization are “important” and whether they affect stratification. Within the classical Marxist approach, only relations of production can be the basis for social distinctions within the framework of stratification research. But we begin to take into account other aspects, then deeper bases for emphasizing strata can be developed, though they are much harder to detect.

Some others find it useful to distinguish several levels of economic organization: type of economy (e.g., capitalist or socialist), economic sectors (or industries), firms, and establishments (or plants). Among the more important attributes of establishments as well as firms (that may affect life chances of those who work in them) discussed in earlier literature are size, market position, capital intensity, bureaucratization, profitability, technological modernity, and political influence. The state participates actively in the redistribution of national income, forming budget and allocating expenditures for different social needs. The structure of state expenditures better that any statements of the government officials reveal the type of economic policy and social orientation of the governing party. Therefore it is not a surprise, that some scientists, when looking for a “really socialist” countries in the world, first of all pay attention at the budget proportions.
but not at the property relations or the importance of state property. They base their theories on the idea that by purposeful increase of expenditures for social programs, the quantity outgrows into the quality and then it is possible to speak about new economic-political state system.

The present-day Lithuania is a post-socialist country in which social economic relations of a new type, conditioned by the strengthening market economy, are under way. The aim of the ongoing restructuring of the Lithuanian economy is to enhance its competitiveness on the domestic as well as foreign markets, to modernize enterprises, retain the existing and to create new jobs. The restructuring of the Lithuanian economy is to a large extent linked with the restructuring of the industrial sector. Products of extracting and manufacturing industry accounted for the major part (85.6 per cent) of the products sold (Complementary Information, 1998). The situation with the essential shifts in all the spheres of the society life has been dominated by the social economic changes of the living conditions, the formation of a new social structure, specific situation of culture, etc.

Lithuania was probably the first post-socialist country to undertake large-scale privatization which began in September 1991. Voucher privatization was chosen because at that time it seemed to most politicians to be the only genuine way to rapidly create a private sector. The process was completed on July 1, 1995, almost two years later than planned, and its results have been discussed until today. It was so called first stage of privatization. Now starting privatization though called the second stage or “the great privatization” (privatization for money) should not be related with this privatization, which we know. The first one was rapid distribution, the one who griped that possesses. Now it is promised that there will be normal selling (if it doesn’t turn into a cheap sale).

Actually voucher privatization has produced impressive results. All of them are expressed in the numbers of enterprises (according their size, branch) and amount of money. But we are more interested in the result which reflects better and are directly linked to the changes in social stratification. Privatization in Lithuania has produced one quite unexpected result – a high degree of concentration of capital. It seemed that voucher privatization would definitely give rise to “people’s capitalism”. However, capital was actually concentrated in the hands of several industrial financial groups. With big money earned from the re-exports of Russian raw materials, they managed to buy everything during privatization, even considering the fact that competition from foreign investors was eliminated and that prices were often symbolic.

- Up to 1 July 1997, 95 per cent of all state-owned enterprises had been privatized (Complementary Information ..., 1998).
- The private sector has become dominant in the economy: it employs about 70 per cent of the labor force and manufactures around 70 per cent of the total production.
- The right to land ownership is being restored. As well as 90 per cent of the property of agricultural enterprises were already privatized in 1992. In a year or two all land, with the exception of that essential for social needs, will become private.
- The circumstances massively forced people to test their powers in organizing their own businesses. Therefore, nearly all possible layers of private initiative were stirred.
New and improved privatization laws prepared in 1996-1997 gave rise to realization and intensification of international public tenders. As a result, privatization revenues in 1997 were 25 times higher than the revenues received in 1996. State revenues from privatization received during the first 9 months of 1998 were 27 times higher than those received in 1997 (Complementary Information ..., 1998).

Despite that society has criticized privatization. Most reprimands are based on the fact that some people took over large state-owned entities for a trifling sum of money, whereas others were left with worthless things. (Another motive is that privatization was allegedly responsible for the economic recession). Certainly privatization, especially like that in Lithuania, does not improve the management of companies of its own accord. Many privatized companies were managed improperly and declined in a few months. Some new owners did not even think of running businesses for their proper purposes, hoping to earn from their resale to foreigners (the participation of the latter in privatization was restricted). When that failed, more resourceful individuals got money from banks by mortgaging assets, which later turned out to be worthless because they went out of operation.

From the beginning of 1993 until 1 July 1998 bankruptcy proceedings were initiated in 288 enterprises. 53 of them were initiated under the new Law on Bankruptcy. During this period bankruptcy proceedings were fully completed in 36 enterprises: 22 were liquidated, 3 reorganized, 3 rehabilitated, in 3 cases the court dismissed the case, creditors have declined their claims in 3 cases and 2 enterprises were removed from the register. 50 enterprises were declared insolvent (Complementary Information..., 1998). According to the Law on Bankruptcy, the court itself is not entitled to initiate bankruptcy case; case is initiated only on the ground of petition which can be submitted by persons that are listed in Art.5 of the Law:

- the creditor (creditors);
- the owner (owners);
- the head of the enterprise administration;
- the founder of the state-owned or municipal enterprise;
- the enterprise liquidator;
- shareholders; the State Labour Inspectorate at the Ministry of Social Security and Labour;
- the Ministry of Agriculture, the county governor, public organizations of agricultural producers (where the enterprise's business is purchasing and processing of agricultural produce).

Criteria of Measuring Stratification Structures

Social stratification means the existence of inequality among persons with respect to generally desired goods (Kazimierz Słomczyński). A major problem in every classification scheme is whether there are boundaries, and if so, where they are? This is the question how to classify people in a way that corresponds to real social groups in society.

Different authors among factors which affect how major social actors behave and relate to one another, and especially how they share power, mention:

- Dominant schemes (Mikk Titma, Nancy Tuma)
- The actual division of labor (Raimo Blom)
- Variation in the allocation of social rewards
- Identification of strata in societies

Harri Melin discussed and showed empirically on survey material gathered by the project Social change in the Baltic and Nordic countries that different typologies produce different outcomes (Harri Melin, 1995). According to one of operationalization of Wright’s typology there are such classes in the Baltics: petty bourgeoisie (under 10 hired employees, control over investments and physical capital and worker’s labor power), managers, middle management, supervisors and working class. Most of petty bourgeoisie in Lithuania are farmers.

Clearly the economic structure in former socialist country stratified people heavily. The working class was said to be in power in state socialism, according to the official doctrine (Markku Kivinen, 1995). According to this doctrine, no middle class existed in Soviet kind societies. The social position of the soviet nomenclature could not be defined in terms of income, wealth, and prestige, which were not very distinctive. What was distinctive was their enormous power. Power was clearly the main stratifying dimension in totalitarian socialist societies, and power relations were crucial to the stratification structure (Mikk Titma, Nancy Tuma). Today there are various reasons to ask “Does the division between the working class and the other classes especially continue to be an important social boundary and relevant to many aspects of the lives of individuals?”

Raimo Blom in highly general way describes the new middle class as a result of the differentiation of the positions of wage workers. The two basic processes of this differentiation are: (1) the formation of privileged part of wage workers the position of which is near the bourgeoisie and (2) proletarization of earlier “affluent” wage workers (Blom et al., 1992). An example of the first process is the formation of so called “service class”. Service class consists mainly of top managers and highest officials of the state (bureaucrats). Jouko Nikula (1997) discusses how after the collapse of socialism the privileged position of the working class, at the social and symbolic level disappeared.

In table 1 I present let’s say more or less official “dominant scheme” that do influence the self-organization of society and the strata in which social groups are placed.
TABLE 1
Number of Employees
(in thousands)

<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>1778.2</td>
<td>1675.0</td>
<td>1643.6</td>
<td>1659.0</td>
<td>1669.2</td>
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<td>Public enterprises</td>
<td>814.8</td>
<td>645.1</td>
<td>600.0</td>
<td>554.6</td>
<td>545.2</td>
</tr>
<tr>
<td>and organizations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private enterprises</td>
<td>963.4</td>
<td>1029.9</td>
<td>1043.6</td>
<td>1104.4</td>
<td>1124.0</td>
</tr>
<tr>
<td>Joint-stock companies, open and close</td>
<td>474.7</td>
<td>552.3</td>
<td>563.10</td>
<td>563.1</td>
<td>593.0</td>
</tr>
<tr>
<td>Sole-proprietorships</td>
<td>109.7</td>
<td>107.6</td>
<td>110.1</td>
<td>79.3</td>
<td>80.0</td>
</tr>
<tr>
<td>Patents</td>
<td>-</td>
<td>-</td>
<td></td>
<td>78.7</td>
<td>91.3</td>
</tr>
<tr>
<td>Agricultural partnerships</td>
<td>168.7</td>
<td>157.6</td>
<td>104.7</td>
<td>86.0</td>
<td>68.8</td>
</tr>
<tr>
<td>Farmers (working, family members and hired employees)</td>
<td>210.3</td>
<td>212.4</td>
<td>265.7</td>
<td>297.3</td>
<td>290.9</td>
</tr>
</tbody>
</table>


We see the difference between the amount of the total employed population and the number of employees (it is 352.1 thousand in 1995). Employed by Statistical Yearbook are all persons working in enterprises, institutions and organizations regardless of their ownership including that all private farms (except for plot-holders), servicemen and prisoners. But to the mentioned difference belongs not only employers (about 57 thousand), but all independent workers - farmers (about 210 thousand), plot-holders with 3 ha land plot (about 89 thousand). The “statistical” understanding of employers, however, differs from international, because here they put not only managers of Closed Joint Stock Companies (UAB) or all those with “ownership of the means of production”, but, for example, ministers as well. We find it interesting to illustrate the boundary between budget sector and profit enterprises as one of the main in nowadays.

It is well known that social cleavages are based on relations between strata or classes:
- Property relations
- Labor relations
- (The legal framework)
- Power relations
Power was clearly the main stratifying dimension in totalitarian socialist societies, and power relations were crucial to the stratification structure. Though the question if hierarchical positions affect social relations exists one must study relations among people in different positions.

A stratum may have certain patterns of relations with other strata. Otherwise, are the strata manifested in the same way? Are the same relations manifested between the strata in all societies or do these vary across societies? Mikk Titma and Nancy Tuma argue, “that qualitative features of social strata have a tremendous impact on society. Among the qualitative features of social stratum that can be investigated empirically are its actions, internal organization, and relations with other strata or with society as a whole”. In the former Soviet Union, false divisions into classes were established throughout political life as well as in public consciousness. However, a lot of social studies showed that the main social divisions were among branches of the economy, between the capital cities and peripheries, and between the tiny nomenclature and the rest of the population.

We find it rather interesting and really important dealing social changes in transforming period never forget and try to find answer for the question is the stratification structure latent (hidden) or is it manifest (obvious, activated)? May be, there are at least two ways looking for the answer:

- To investigate “qualitative features of social strata”, strata may have some sort of internal organization that includes
  - formal organizations (like unions of workers)
  - organizations that serve or promote self-consciousness of members of strata (e.g., newspapers)
  - informal patterns (e.g., common patterns of leisure that lead members of strata to associate more with one another or to think similarly)
To investigate scheme that exists in public consciousness. We are using data from “Lithuanian Household Panel Study - 95”, which was implemented in the framework of international project “Family and Living Conditions in the Baltic States”. Twenty five families (total number of the interviews is 49, because wives and husbands were interviewed separately) with at least one child under 18 years of age, randomly selected from throughout Vilnius were interviewed. Stratified purposeful sampling was used – these were families with spouses representing different age groups, ethnic origin, socioeconomic status and labor force participation, etc.

Today it is described that official social stratification did not correspond to the true organization of society in the Soviet period. But even the social and self-identification of individuals was based on Marxist scheme, reflecting its pervasive presence in the official ideology. In actuality the real social boundaries developed along different lines.

While discussing social differentiation of modern society of Lithuania, some respondents emphasizes an example of the street, which they are living in. People used to have almost the same strata conditions, majority are of one nationality (Lithuanians), but even today ones live in the expensive farmsteads with pools, while others still exist in the houses without any conveniences. Respondent thinks, that main differentiation is taking place not between various social groups, but inside one, former homogeneous group. For example, some blue-collars practically don't get any salary and live bellow the limit of poverty, while others, for example, working in a private enterprises or joint-ventures get high salaries, adduces interesting distribution of people. Some respondents judges about people from their circle of interests, though from their post as well.

In respondent’s mind, entire nomenclature “which oriented immediately in the turbid water" won. The generation of new politicians won as well, though they are all selfish and look only for their own use. Ordinary people lost. These ordinary people are first of all blue-collars, who didn't think about the future and even couldn't foresee such changes. Honest people lost as well: they are those who earn for living from their own work. The middle strata, even comparing with the last year, is reducing: some people from this strata felt the others have risen. It is very hard to get higher now, because the proper time for it has gone already. Only the largest scoundrels can advance now, because those people, who managed their business quite well, can not make their living now, because large-scale Mafia squeezes them up. These strata are most of all divided according to their material condition, but not by the level of their culture: the culture level of those on the top is usually lower. The level of education and any particular profession doesn't play any significant role here.

They ascribe pensioners, wide strata of blue collars, intelligentsia to the rank of harmed. They ascribe the same people plus high level specialists to the rank of deceived (by the state). To the conquerors, in all respects, they ascribe - former nomenclature, officials, directors, collective farms chairmen because of their former exceptional condition. Those who had nothing and became rich threw the criminal way, by deceiving, without having any post, swindlers were ascribed to the conquerors as well.
The reason is that desovietization law was not adopted in time. The confrontation between people is being created artificially, purposely as well: the deportee didn't have a flat, we didn't have it as well, why am I worse than he is, why he is given preference. It is important to have Lithuanian citizenship in some respect.

Today pensioners lose most of all because they are not working, not all of them can work. On the other hand if we mention the young people who study, they are stratified similarly to that how their parents are stratified: well earning parents’ children who feel very well, but there are also more poor. Among the latter ones manage to earn something on their own, the others just study. Blue-collars are very different: ones work in the bankrupting enterprises, the others, having felt where the profit is, for instance car repairs, earn quite well. Some respondents are not inclined to ascribe very rich people to the ones who won. They think that the winners are people who are quite young today (about 25-27 years old up to 30) and have good brain, who have opportunity to work on probation abroad, to establish, who are full of forces and energy and who are honest, i.e. who are engaged to the legal activity, legal business. Those who are the gamblers of fast money and often dirty business will loose sooner or later. Also the ones will loose who have split large enterprises into small firms, for instance wood processing, and who don’t find the market for their production. Though they have new equipment, produce quite good production, but business contacts aren’t put to order. The owners of such small enterprises are buried in debts.

The young people who are younger than 30 have perspective and the older ones will work as they have worked before, they can’t work other way. Cultural houses maintained by the state are also the last straw for them, to vegetate for a very low salary but there is no use neither for the state nor for a person himself: whatever I do I get the same salary. This is “salary principle”, but not the activity one.

According to the others respondents the greatest losers are intellectuals or intelligentsia, who at those times didn’t give up their budget works and didn’t fly to Stambul or China province “after that we wouldn’t have worked in our work places because we would have been businessmen”. The peasants are 100% losers there where they destroyed cursed collective farms. The ones that stayed in companies still live. Our village lost. Two categories of people remained in the village: pensioners and the ones who still manage to drink.

Respondents emphasize the transitional period of our society, when there aren’t such very evident strata. There are lots of various transitions: very often an intellectual tries to become an entrepreneur, and entrepreneur tries to become an intellectual, studies on his own, etc. The blue collars have changed less of all, maybe. Majority of them waits when somebody will create work-places for them. The most stabile state white-collars remained. Though they try to do something additionally as well. All mentioned groups differ with their intellect and material condition. There is no doubt that there are material conflicts, social conflicts arise from them. The basis of the conflict is moral, when the man is forced to disregard others.

The state mechanism and the social policy of the state are interrelated. Any state mechanism as a rule puts definite groups into less favorable position compared with others, and what is more, by staying within its bounds, in the opinion of T.I.Zaslavskaya (1990, p.14) this cannot be eliminated. In this connection we can
mention the need of a social policy, able in some degree to compensate, to eliminate the deterioration of the position of corresponding social groups. As the basis for possible conflicts they indicated "envy", and called conflicts as "enjoy conflicts". That will be more psychological strain and criminal conflicts. In respondents' opinion, there shouldn't be neither ethnic nor religious conflicts in Lithuania.

According to one pole man, particular, most often conflicts concerning mode of life, happen on the ethnic basis. Though personally he has lots of friends among Lithuanians.

Some respondents were afraid of possible transformation of Lithuania into the "banana republic", when the criminals but not the laws rule the country.

The main contradictions between people are property (when one dreams about vacation abroad, and another about warm hat for his child). This difference causes huge emotional conflicts.

The respondents' opinions coincided ascribing their family to the middle class white-collars group, though not having a middle class material basis, usual for Lithuania. Such conditions, in their mind, would be their own flat in a new districts, a ten year old car "Zigulai".

Even the upper elite representative considers outside indicators to be the main criteria of stratification: the material world, the car, attendance of one or other places, where they have dinner.

Contradictions between those groups arise because of jealousy, differences in material conditions and absence of Truth. Conflicts between white-collars - intellectuals and not only with officials and entrepreneurs. There aren't such huge conflicts with the lower strata, so they are more being laughed at than being angry upon them. Respondents also think that very important thing for one's life changes nowadays is who he was before - this means, weather he felt or rose in his post in the result of changes.

Sometimes people emphasize totally different relations between employer and employee. One woman has to stand behind the counter all day long and she can eat something just hiding her had under the counter being afraid that manager of the shop will see her, though the person should eat. The shop is in the downtown of the city, there are lots of people in there, they make noise immediately. She feels absolutely rightless. "The rich became richer, the middle became more poor, the poor remained poor".

These three groups which were pointed out are different from each other "as the sky and the ground": the rich are shopping in different shops, have beautiful new cars, feel normal. The poor have nothing. These boundaries are strongly felt psychologically. Respondents would like that these differences would cause conflicts, strikes, that people start demanding as it happened in Poland, but people remain silent there and it doesn't touch anybody. The State attention should be drawn at people. The main part of the respondents doesn't see an opportunity for ethnic or religious conflicts. They see just economic conflicts. But if there are conflicts, they are not significant. Only dissatisfaction is wide. Feel the necessity to do something, but doesn't know what. It's necessary to restore economy in order to have work places.

In respondent's opinion now it is the most difficult for those, who used to earn for their living from their own sweat. It is best of all for those "doggy persons" who
made profit from the others. Only all people are getting poor massively, therefore these proportions are not normal. For the people of some profession this resourcefulness and adaptation helped to "swim out on the wave". The traders, non-ferrous metals firms, car business - "won".

According to the respondents "if the man has some brain he is rich, if he is stupid, he is poor". It is especially difficult for the new comers, who neither know the language (the necessary requirement while hiring a person is his knowledge of state language) nor have money. And those who have money feel good everywhere.

Others emphasize that the success in the society is more determined by impudence than by education or social relations, friends: "muscles are more important than brain".

The people who got engaged to any additional activity or "business" at the very beginning (of perestroika) they promoted. Though majority of people didn't do anything then when they couldn't subsist from the salary, nor do they anything now. At those times the greatest part of businesses were based on the mutual trust of people. On the other hand, not all the deeds were completely registered, there was some optimism or believe in the success of activity. The situation is different now: there are lots of painful lessons. The government representatives, who at least have better information and orientation won the most. Party representatives, nomenclature of those times or their relatives won as well. The labor people lost: the middle people, who have no aptitudes, "who will go where you push them". Good workers didn't loose. All pensioners lost. The winners have money, wealth.

Criminal world is not a serious danger for the State and with the existence of professional stuff it can be fought successfully.

Of course, there is a question are these real social groups or only categories of individuals. Also, strata may consist of substrata. Mikk Titma and Nancy Tuma consider subjectivation of social strata to be much broader than class consciousness in stratification. According to them, identification is the weakest level of subjectivation. To translate identification into action, every social entity needs organization. But I don't think that "as long as identification is only a social psychological process, it can be neglected in stratification research". Affiliation with and participation, for example, in political parties and voluntary organizations are only weakly affected by class and stratum membership. Otherwise, some formal organizations, for example, association of Lithuanians noblemen that exists are not reflected in public consciousness in connection with social stratification. May be, it is more linked with historical memory.
Conclusions

In this paper we have limited our focus on some single components of social stratification in the process of its formation during the transition period. The qualitative approach has been selected in order to link questions on social groups criteria and functioning to concrete households / individuals to show the richness of the new tendencies in social life.

We tried to compare the tendency of objectively forming social structure with its reflection in public opinion, paying more attention on the latter.

As the result we see the growth of social dislocation of various social groups: even several different groups of “entrepreneurs” or “businessmen” (the new rich; entrepreneurs; the class of undetermined businessmen, or “Mafia as a small part of them), the intelligentsia - at the top and at the bottom of social hierarchy; winners and losers among the workers. We argue, that the growth of social dislocation (that differs from the tendency of “social differentiation”) is the main feature of the process of social stratification during the last five years of the transition period.

The growth of social differentiation, as another tendency of stratification, is more evident by its external manifestations (apartments, cars, clothing, etc.) that are fixed in public opinion first of all.

As the third peculiarity of transitional period we would consider often bright internal contradictions between economic, social and cultural capital of the same social group: when from the possessed information about one of them (cultural, social or economic capital) it is difficult to make any prognoses about the remaining two. For instance, high education and even the name of concrete occupation doesn’t describe neither the individual nor the position of this social group in the society.

It is related with the action of relatively new for our society criteria of differentiation (extent of privacy, forms of ownership, real material status, legality of sources of income, how consistent they are, social relations, sphere and type of activity, etc.). The action of these criteria both objectively and subjectively is controversial both due to the inadequacy of their meaning on the level of legitimacy to practice (higher presented example about the disposition of private property), and different levels of practical action (official and “shadow”).
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THE SOCIO-ECONOMIC POSITION OF THE RUSSIAN POPULATION AND THEIR SOCIAL RIGHTS IN CONTEMPORARY RUSSIA

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The Object of Socio-Economic Rights and their Connection with the Transformation of Russian Society

The specificity of socio-economic rights. The first and second generation of human rights

Economic, social and cultural rights, as it follows from the International Covenant on Economic, Social and Cultural Rights, as well as other internationally recognized documents, are a component part of the system of inalienable human rights. This system embraces standards relating to the status of people in the sphere of work daily life, employment, welfare, social protection, and pursues the aim of creating conditions under which people can have "freedom from fear and want" (Preamble). It includes the right to free labor free choice of work safe and hygienic working conditions, a just and satisfactory remuneration of work without any whatsoever discrimination, protection of employment and other rights (Article 37).
Associated with labor rights is the right to rest and leisure, which today expresses itself in a reasonable limitation of working hours, the establishment of days off and holidays, as well as paid leaves. One can regard as an actual extension of labor rights the right to "a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or lack of livelihood in circumstances beyond his control" (Article 25).
It is also extremely important that existing side-to-side with rights that express socio-economic ideals and concrete socio-economic benefits are rights that guarantee people a possibility to make an independent effort to ensure the reality of these benefits. The right to form trade unions and other associations, to conclude collective bargaining agreements, to use, when necessary, lawful means of pressure, including strikes and picketing, is of decisive importance in this connection (1, Article 23; 2, Article 30; 3, Article 8). Socio-economic rights substantially differ from the initial civil and political rights of man that assert the fundamentals of freedom and legality.
This set of rights is less universal and less clearly defined. Also, these rights are mostly of the nature of recommendations, depend on available resources and it is implied that they are to be implemented gradually. This points to a sort of secondary nature of social and economic rights as compared to civil and political ones and implies that they are derivative of the latter. In the terminology of United Nations human rights, social and educational agencies this ratio is reflected by their
references to civil and political rights as to human rights of the first generation and to socio-economic rights as human rights of the second generation. Human rights of the second generation, while being in a certain sense less significant than those of the first, are, nevertheless, extremely important by themselves. The development of the system of social and economic rights comprises one of the main elements of a social policy designed to compensate for the initial inequality of social forces in industrial production and at the same time to avoid the danger of a totalitarian etatization, or omnipotence of the state. Social and economic rights directly assert only the lowest, minimum social standards, in fact, such a level of these standards that can well be achieved already now and the violation of which is absolutely intolerable. in other instances these rights combine a direct and indirect influence. They directly create a legal framework for trade union organizations and for collective action by workers, give the latter a possibility to equalize their weight in their relationships with the initially organized employers and management. Formed thereby are the possibilities and limitations of the struggle between the participants in social and labor relations, that is to be conducted according to certain rules, and of their partnership. But the utilization of these possibilities depends on the participants in the social relations. Attempts by way of direct pressure to launch a movement towards social partnership, that is desired by society, are replaced by indirect encouragement, this immediately and drastically lessening the probability of excessive etatization.

The inclusion in the system of social and economic rights of provisions that characterize long-term ideals in this particular sphere also leads to the same result. The projection of ideal norms into the future and the explainable, of necessity, broadness of their formulations encourage social policy to be realistic, gradual, to take into consideration available resources, etc. At the same time it becomes possible, by way of resorting to legal procedures and the interpretation of norms by courts, to attain these ideals whenever and wherever the necessary conditions for this appear.

In the broader sense, social and economic rights can play a key role in the formation of a national social ideology. The simple ideas of social justice and social security, when taken out of context or as the highest values that are superior to everything else, can easily lead to an ideology that fully rejects freedom. At first, according to this way of thinking, economic freedoms and private ownership are rejected as being contrary to social justice and serving as an obstacle to ensuring social protection and after that the other freedoms are suppressed - -political, cultural, spiritual, because it turns out that without suppressing them it is impossible to destroy private ownership and to achieve the proclaimed goal of social equality, if only an outward, formal one.

Matters are different if values of social justice, equality and social protection are recognized by society within the system of human rights along with other inalienable human rights. Of course, profound contradictions are present in such a system and as a result the maximum consistent implementation of one set of rights is restricted by other rights. As is known, absolute social equality makes it impossible to exercise with absolute freedom one’s talents, the absolute freedom of labor, property and ownership. And the other way round as well. But it is precisely within the framework of such mutual contradictions and restrictions that there disappears, or decreases, the danger of the ideas of social justice and social equality turning into
an ideology of total non-freedom. On the contrary, there appears the possibility of forming on their basis of an ideology in which the recognition of society’s and the state’s responsibility for the social position of each citizen is combined with a recognition of society’s and the state’s responsibility for the preservation of political, economic and cultural freedom, while awareness of the duty of the state to ensure the right to a worthy standard of living and social justice does not degenerate into acceptance of the permissibility of destroying private ownership and the expediency of totally subordinating society to the state.

*The special importance of social and economic rights in contemporary Russia*

Social and economic rights and the processes that lead to their observance or non-observance are acquiring a particularly big importance in Russia. The noticeable pauperization of virtually the majority of Russia’s population in the early 1990s turns social protection and social assistance into a key problem of social policy. Social and economic rights, the formulation of these rights, the definition of these rights in accordance and in the context of Russian realities, the injection of the corresponding information into mass consciousness and public opinion, into the current political process - - this is the legal, political, cultural and ideological backing that is needed by efforts to solve this problem.

The reliance of Russian social policy on the ideology and values of the social and economic rights of man can prove to be very effective also because it adds realism to the promise of a relatively smooth transition from state and private social paternalism to responsible, democratic social partnership. The traditions of paternalism, of looking to state and enterprise management for social assistance, are very firmly embedded in Russian mass consciousness. In this situation it is unlikely to expect a peaceful replacement of paternalism with a system dominated by the ideology of the implicit segregation of the interests of various groups and the finding of solutions on the basis of bargaining and compromise. It is a departure from dependent paternalistic attitudes in the direction of merging the purely class and professional consciousness with the more general ideology of man’s social and economic rights that gives much more hope of preserving social peace or at least avoiding excessive upheavals.

In this merger, which is a very slow and difficult process, the forming of the perception of social relations as an area of the responsibility and collision of predominantly private interests, a perception that is absolutely unusual to us and extremely contradictory, is supplemented and made easier by notions of social and economic rights and of social justice that are recognized by society and backed up by the authority of the state, the society and the entire international community as a whole.

It is even more important that socio-economic rights in transitional Russia may become one of the most important channels for developing and spreading legal consciousness among the masses. The emergence of the human rights movement in Russia, like it was in its time in the West, was associated with the struggle for the main civil and political rights. While exerting a tremendous influence on changes in the spiritual and political climate in the cultural upper strata of Russian society, on the Russian intelligentsia and making an impact on world public opinion, the Soviet human rights movement did not really exert any particular influence on the mass
consciousness of the population. There took place a sort of growth without
expansion and the gap remained between the feelings of the majority of the
population and the legal consciousness of the more developed sections of the
intelligentsia and even separate groups of the liberal nomenclature.
Mass legal consciousness grew noticeably as compared to the preceding period after
the collapse of state socialism in the late 1980s and early 1990s. But its general level
still remained low. Yet, the accelerated development of mass legal consciousness, its
firm establishment in the scale of values of the rank and file is now becoming an
imperative precondition for the Russian transformations to be successful. On the
other hand, such an accelerated development in a society in which all traditions of
law abidance are very weak and frail is most likely to be an extremely difficult
process, if possible at all. In any case, repetition of the consecutiveness that we saw
in the west - - from the mastering of the fundamentals of civil and political rights to
a subsequent assertion of economic, social and cultural rights - - will take (as it
happened in Europe and America) the lifespan of several generations, in other
words, a longer period of time than given us by history.
In such a situation the best options are offered by a change in consecutiveness of
events. In fact, the best possibilities are offered by the encouragement from the
outset of a simultaneous development of both the civil and political rights and the
social and economic rights of man, perhaps even with a special emphasis on the
latter.
An ordinary person encounters socio-economic problems, labor conflicts and threats
to his well-being on a daily basis. He clearly understands their content and vital
importance. Therefore, here it is easier to progress from an emotional attitude to a
concrete issue to a comprehension of the general principles of rights, including the
fundamental principles underlying social and economic human rights. In turn, the
embedding of socio-economic rights in mass consciousness will serve as a basis for
mastering civil and political rights.
Besides, whereas traditions of the civil and political rights of the individual are
relatively underdeveloped in Russian culture, traditions of social rights and social
protection, on the other hand, are strong and generally recognized. A special survey
conducted in 1994 showed that a noticeably greater number of Russians attaches
prime importance to constitutional guarantees in the field of socio-economic rights
rather than in the field of civil and political rights and freedoms. From 70 to 90
percent of respondents regard the socio-economic guarantees mentioned in the
Constitution as being primary, whereas a similar view in respect of many civil and
political rights was held only by 20-60 percent of the respondents.
It may well be, therefore, that in Russia socio-economic rights will become the
triggering device and accelerator of the mass spread of the human rights ideology
and legal consciousness in general.
The contradictions of the socio-economic situation and the socio-legal situation in
Russia; progress and degradation
Although awareness of socio-economic rights may assert itself with fewer
difficulties in Russia than the awareness of civil-political rights, even this appears to
be an extremely difficult matter in our country. The more so that the development of
the socio-economic situation in Russia is becoming ever more contradictory with
every passing year. Of decisive importance here is the depth of the transitional crisis
experienced by Russian society.
Here it is not the place to discuss the subject of whether it was possible to avoid the huge calamities experienced by Russia in the 1990s. It is obvious that some of them, first of all the Chechen war, are the doing of harebrained and irresponsible politicians. But just as obvious is the objective nature of our other hardships, that do not depend on the actions of individuals. It was impossible to break down the existing regime and transform the economic system without a profound crisis and economic losses, although the situation was also visibly worsened by the mistakes and weaknesses of leaders against the background of existing morals, culture and mass behavior of the population.

Whatever the case, throughout the first half of the 1990s Gross Domestic Product dropped by more than a third and in 1995 amounted to only 62 percent of the level of 1990. Plummeting living standards and the general pauperization of the masses of the population were a logical result of the slump in production. To make matters worse, the scale of the economic slump in general and the drop in living standards in particular fell below the level when prompt compensation is possible. Russia does not have the resources now to fully restore the living standards of the late 1980s. This will be possible 10-20 years from now; if not later.

But in practice all these changes did not diminish the customary requirements of the majority of the population. Rather on the contrary, democratization, glasnost, the expansion of ties with the West brought about a further growth of mass claims. As a result, we have develop a situation that is not often encountered in history, a situation when the level of customary requirements turned out to be isolated for many years, so to say, from the level of the country's real economic possibilities. What is sensed by the majority of Russia's population as its natural right objectively cannot be implemented now or in the foreseeable future. Instead of the certain outpacing by social and cultural requirements of economic possibilities, something that is quite normal and customary, a huge gap has formed in Russia between them.

In the final analysis; the depth of the socio-economic crisis, that is accompanying the collapse of state socialism, has become superimposed on the special nature of socio-economic rights (historical relativity and dependence on resources) and made their development in the 1990s extremely contradictory, a combination of evolutionary progress and involution, development and degradation, including a relapse into the past. In this sense the movement of socio-economic rights turned out to be more complex and contradictory than the changes in the civil and political human rights.

The contradictory nature of the changes in the basic civil and political rights manifests itself in the Russia of the 1990s mostly in the incompleteness and inconsistency of their progress. The elimination of state socialism's political system, the destruction of the punitive and ideological mechanisms of the party state, the constitutional recognition of the legitimacy of the main democratic freedoms - all this has opened the road to asserting the main civil and political rights.

As a result of the combination of a multitude of objective and subjective circumstances, the assertion and expansion of civil and political rights of man is not proceeding quite quickly. In some instances this movement is slowing down and even coming to a standstill. In many spheres the authorities are the most fundamental of human rights, in other cases the tradition of docile servility to the authorities and the overall underdeveloped nature of legal consciousness result in a situation when the popular majority itself does not avail itself of the existing
possibility and for all practical purposes renounces its own rights. As a result; progress in the sphere of civil and political rights turns out to be partial, intermittent and contradictory. At times, it even slows down and starts marking time. But in any case the situation with civil and political rights is not becoming substantially worse than it was in Soviet times.

The situation is different with the observance of socio-economic rights. Here, too, the overcoming of state socialism opened up vistas for progress. Likewise, here, too, just like in the case of civil and political rights, progress is not complete, is contradictory and partial. The forces that are dominant in the Russian economy today, that is state and private owners, are emulating the political authorities in their desire to limit the application of the human rights ideology. As to wage and salary earners, in mastering and exercising socio-economic rights they have not gone much farther than in the case of civil and political rights.

But in addition to this the economic crisis creates preconditions for an outright worsening of a number of components of the socio-economic position of working people. True, at the same time many things are improving in the life of the majority of the people. But to understand the specificity of contradictions in the socio-economic sphere and in the sphere of socio-economic rights (as compared with the civil-political sphere and civil and political rights) it is important to realize that along with positive changes there are also changes that place huge sections of the population in conditions that are much more harsher than they were in the past.

In present-day Russia the contradictions in the area of the socio-economic situation and socio-economic rights are generated by a combination of uneven (quick and slow) positive changes in one set of circumstances, stagnation in another set of circumstances, and even changes for the worse in still other circumstances. The preservation and continued growth of requirements, many of which are regarded by tens of millions of people as their natural right, add special hurt to these negative changes.

Socio-Economic Change with a Preponderance of Processes of the Development of Social and Economic Rights

Assertion of the fundamentals of freedom in labor relations. The appearance of real trade unions. Strikes.

Events of recent years clearly show that the development of various aspects of the socio-legal and actual situation in the sphere of social and economic rights is following a set of different directions. Here we clearly distinguish processes that are predominantly positive ones and processes where the situation is worsening, rather than improving.

The biggest progress has been achieved in respect of the right to form trade unions and to protect with their help the interests of hired labor in labor disputes, utilizing to this end the entire diversity of lawful methods of resolving disputes, including strikes. This progress was made possible by the change in the social atmosphere in the 1990s as compared with the situation that existed in the preceding decades (not to speak of the more distant past). Russia has made visible headway along the road of overcoming the total state dominance of the economy. The possibility for punitive structures of the state, the law-enforcement bodies to interfere in labor
relations has been eliminated or, at least, drastically limited. The influence of the totalitarian ideology has been undermined (though not totally eliminated) in public consciousness and the initial mainstays of democratic freedoms have been established in political practice.

As to the right to form trade unions and initiate labor disputes, the change in the social atmosphere in many respects turned out to be a condition that was not only necessary but also sufficient at the initial stages. Soviet legislation did contain provisions that formally permitted trade union activity. True, this legislation was not intended for implementation in practice. But the change in the socio-political situation in the country so to say "defrosted" these provisions and made it possible to use them as a legal basis for developing genuine human rights activities.

Further progress in providing legal backing for trade union rights was connected with a number of amendments that were made in the old legislation late in the 1980s and early in the 1990s and also by some presidential decrees that were then promulgated. Following this period, a whole set of new laws and decrees regulating the activity of trade unions, labor disputes, strikes, collective bargaining agreements, etc., was drafted and adopted in 1995 and 1996.

Still more important, the changes were not limited to perfecting legislation. Starting with the early 1990s, for the first time after an interval of more than half a century, genuine trade unions began to appear and workers started exercising in practice their right to strike and to conclude genuine collective bargaining agreements.

No denying it, the establishment of trade unions in Russia has its specificity. First of all because for decades we had a special subdivision of the party state that went under the name trade unions. Of course, these were pseudo-trade unions which were quite functional within the framework of the state-dominated economy and which benefited not only the regime (and this was most important) but in a certain sense also the rank-and-file workers. But the institutions known as "Soviet trade unions" never were voluntary associations of workers that expressed and protected the interests of their members. In the new conditions, some elements of this structure retained (and in some instances even strengthened) their ties with employers. A part of the trade union committees, especially at big enterprises, have now become part and parcel of the plant management with responsibilities for social services and labor relations.

But in the majority of cases a different evolution is occurring - - the former official trade unions, on losing their place in the party-state system, are increasingly turning to the protection of the interests of hired labor and gradually developing into real trade unions. The disbandment of the All-Union Central Council of Trade Unions (AUCCCTU) and the establishment of the Federation of Independent Trade Unions of Russia (FITR) is a manifestation of this process. It should be noted, at the same time, that the change in the essence of the former state pseudo-trade unions is yet far from complete. There has been no organizational parting of ways between the old trade union structures, that are becoming a specific part of management, and those that are gradually acquiring independence. More than that, quite often the ideological and psychological understanding of the need of such separation is simply not there. The chairmen of trade union committees, who have lost even the appearance of independence that they had in the past (because the plant management was subordinated in certain ways to the party and trade union
bureaucracy) and have now become overt assistants of plant directors, continue to regard themselves (at times quite sincerely) as trade union leaders. On the other hand, the top leadership and the rank-and-file activists of the genuinely changing FITR trade unions do not yet really see themselves as independent representatives of hired labor and largely continue to subscribe to the traditional notions of the absolute unity of interests of worker and employer. Apart from the general inertia of consciousness, this process has objective impediments as well: the market relations are still in their formative stage while society is in a state of crisis and instability characteristic of transition from one social system to another. Most Russian enterprises are in a state of "initial entrenchment" on the market, if not "initial accumulation". They are trying to secure starting positions for themselves and are engulfed in a competitive struggle in which almost everything depends on the chunk of former state property that an enterprise (group of enterprises) has managed to grab, on the rights and possibilities that it has managed to obtain in its relations with government bodies, the tax authorities, with those who control credits and foreign trade.

In this situation the interests of the work collectives (hired workers) and the management (owners, employers) in their relationships with the state and, generally, with all extraneous entities on the market in many ways coincide. Such a coincidence exists in any society with a large-scale industry, but in conditions of the "initial establishment" of the market it turns out to be very much stronger than in a stable, established market economy. For this reason, hired labor at the initial stage of transition to the market has dual interests: the interests of mutual relations with the employer, concerning the benefits that are produced and distributed at the enterprise, and the interests of interaction with the extraneous entities, that confront the enterprise as a single unit. No matter how the interrelationships of the first type develop as a conflict, as a partnership or as a compromise this objectively will be a relationship between groups with different interests. On the contrary, in the relationship of the second type the hired workers and their employers have predominantly common interests that differ from those of the state and their competitors.

While both types of mutual relations, as it happens at initial stages of transition to the market, are of more or less equal importance to hired labor, the trade unions will invariably reflect in their activities the interest of workers to counteract their employers at their own enterprise and to counteract, already jointly with the employers, the state and other extraneous entities. In the context of their past activity, in the context of all their traditions and considering the personnel that they have, the old trade unions are much better prepared for concerted actions with the management to uphold the shared interests of the work collectives, than for opposing the management, or employers, inside the enterprise.

That is why it would be more correct to describe the former state trade unions, most of which have joined FITR, as not fully mature ones, as semi-trade unions that are on the way to becoming trade unions, as specific trade unions of the transitional period. The appearance of such formations testifies to extremely important positive changes and at the same time indicates that the old trade unions have not yet fully separated from the management and its social services.

In conditions when the former state trade unions are only gradually turning into genuine ones and are yet poorly adjusted to upholding the interests of hired workers
in their relationships with the plant directors and management inside enterprises, it is natural that the more conscious and selfless blue- and white-collar workers (usually those who have gone through big strikes) are forming absolutely new trade unions with no genetic links whatsoever with the old ones. The urge among workers to form new trade unions was additionally intensified by the extreme unpopularity of the old trade union bureaucracy, that was made up mostly of the least competent and least liked representatives of the nomenclature. Among these new trade unions the most influential ones are the Independent Coal Miners’ Union, Sotsprof (Social Trade Unions), the unions of pilots, air controllers, locomotive drivers, the Zashchita (Defense) trade union, the Confederation of Free Trade unions of Russia (now - - National Association of Russian Trade Unions), and some regional formations. In terms of history, the forming of the new trade unions preceded the commencement of changes in the nature of the old ones. More than that, it was precisely the appearance of the new trade unions and the rapid growth of their influence that forced the leadership of the old ones to initiate change. The new trade unions, despite the briefness of their existence (about 5 years), in most cases have already become genuine ones and have thus surpassed the old ones. Besides the very fact of the appearance of genuine trade unions, the expansion of principles of equality in labor conflicts and the assertion of the right of hired labor to self-defense is illustrated by the growing incidence of strikes, picketing and other collective actions in many regions of the country and sectors of the economy (see Table 1). Hundreds, if not thousands, of officially recognized strikes are being annually held in Russia since 1989. The number of those who took part in strikes ranges from 100,000 to 500,000 every year.

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of enterprises and institutions affected by strikes</th>
<th>Number of participants in strikes (thousands)</th>
<th>Loss of working time during strikes (thous. of man-days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>260</td>
<td>100</td>
<td>208</td>
</tr>
<tr>
<td>1991</td>
<td>1755</td>
<td>238</td>
<td>2314</td>
</tr>
<tr>
<td>1992</td>
<td>6273</td>
<td>358</td>
<td>1893</td>
</tr>
<tr>
<td>1993</td>
<td>264</td>
<td>120</td>
<td>237</td>
</tr>
<tr>
<td>1994</td>
<td>514</td>
<td>155</td>
<td>755</td>
</tr>
<tr>
<td>1995</td>
<td>8856</td>
<td>489</td>
<td>1367</td>
</tr>
</tbody>
</table>


Television greatly multiplies the effect of strikes and informs tens of millions of people about them. And many people are beginning to regard strikes as their right. In the course of numerous representative polls encompassing Russia’s adult population, some 10 percent of all respondents, or 15-20 percent of workers, stated their readiness to take part in strikes. When evaluating the role of strikes in the process of the assertion of human rights, it is important to stress their high level of organization. So far the vast majority of strikes have been held in this country in peaceful and lawful forms. In most cases strikes in Russia are not a manifestation of
social spontaneity, but rather a means of imparting organization and normalcy to this spontaneity. Violence connected with strikes is still an exception in Russia and not a rule (although certain alarming symptoms are appearing and special mention will be made of them further down).

Violations of trade union rights. Instances of victimization of activists. Restrictions imposed on new trade unions

The obvious progress in socio-labor relations, the assertion of trade union rights, the greater freedom and equality in labor disputes do not imply, of course, that all these processes are progressing smoothly in Russia, without conflicts and contradictions. In conditions of predominantly positive changes worker activists and millions of rank-and-file workers, nevertheless, do encounter instances of violations of trade union freedoms and the right of trade unions to resort to collective action in defense of their interests.

Since for reasons mentioned above the old trade unions often avoid conflicts with the management of their enterprises, the violation of trade union rights mostly concerns the new associations of working people. The more so that the youth and relative weakness of many new trade unions, just as the uncustomary independent style of behavior of their leaders, prompts management to try to suppress the activities of such unions. Judging by press reports and letters sent by trade union activists, there are three most widespread ways of putting pressure on the new trade unions. (The examples of pressure on trade unions and of violations of trade union rights, to which the author refers, were taken from the press. Such developments are reported in particular detail in the weekly Khronika rabochego dvizheniya (Chronicles of the Labor Movement) published by the Agency of Social and Labor Information. See also Express-khronika, Moscow, 1995, January 6; 1996, March 7; Trud, 1996, August 31).

Attempts to intimidate the leaders of new trade union organizations, to force them to leave the enterprise constitute what must be the most serious form of such pressure. In some instances, and this is most dangerous, there is encouragement of actions threatening the freedom, life and health of activists. True, the use by employers of their connections and influence in the local law-enforcement agencies (militia, prosecutor’s office), that was standard practice in the recent past, is now the exception rather than the rule. Nevertheless, in the period between 1999 and 1996 a number of leaders of new trade unions were searched and detained. Usually such cases are not brought to court, but the very fact of detention, of being booked, considering Russian realities, is a powerful means of intimidation and defamation, especially in small towns and settlements.

Still, the practice of directly relying on government bodies is disappearing, because rule of law and legal consciousness are, after all, slowly becoming a reality in Russian society. That is why the use of criminal, unlawful methods of unofficial pressure is gaining currency in the sphere of labor relations, just as in other spheres of society’s life for that matter. Here are some typical examples that became widely known in recent years.

In June 1994 an attempt was made on the life of A. Mikhaichik, chairman of the independent trade union of the Krasny Kuzbass coal mine in Kemerovo, after the union started exposing the financial machinations of the director of the mine. In
August 1994 a similar attempt was made to kill V. Finogenov, a trade union activist from another coal mine in Kuzbass, the Beryozovskaya mine, after he tried to expose the management’s financial wrongdoing. On the eve of the trial of a director of an institute in Novosibirsk on charges of abuse of office, the chairman of the institute’s trade union committee N. Vdovin was beaten up. L. Afanasyev, the chairman of the free trade union of the Avtodizel plant in Yaroslavl, was beaten so severely on September 2, 1994 that he could not attend a meeting of shareholders at which he intended to criticize the management. It appears that this was precisely the aim of the attack on him.

R. Khizer, chairman of the regional council of the Sotsprof trade union association in Voronezh, also was attacked and beaten up on February 2, 1995. In October 1995 the home of N. Semenenko, an official of the Sotsprof association, in the town of Orekhovo-Zuyevo was vandalized in October 1995. Her aged mother was also threatened and insulted.

A. Ivanov, a well known leader of alternative trade unions, chairman of the Yedinstvo (Unity) trade union at the AvtoVAZ car plant, survived two assassination attempts in 1996. In May he was hit on the head with a metal object, while in August he was shot and badly wounded. In the opinion of the leadership of Sotsprof, to which the union headed by A. Ivanov belongs, the attacks were in response to A. Ivanov’s successful actions against the plant management. Under his leadership the workers secured substantial wage raises and their regular payment.

Against the background of physical threats, beatings, assassination attempts, etc. "simple" violations of the labor rights of activists of the new trade unions appear almost as harmless and trifling matters. But the sheer number of such violations and also the fact that the overwhelming majority of functionaries of the new trade unions have no sources of livelihood other than their wages make the threat of dismissal and possible cuts in earnings a very serious form of bringing trade union activists in line.

Along with pressure on the leaders of the new trade unions yet another form of violating trade union rights has become widespread in recent years: denial to rank-and-file members of the new trade unions of the benefits that are usually provided by enterprises. Although such restrictions are absolutely unlawful and usually are eventually cancelled, when used as a threat (or even a rumor) at a time when the alternative union is only establishing itself they can seriously impede its growth. Precisely such was the case at an aircraft plant in Voronezh where the management announced that personnel who join the new Ilya Muromets trade union will not be allotted land plots for kitchen gardens and will not be eligible for discount-rate vacation vouchers.

There is also another direct and widespread violation of existing legislation - - the refusal of management to recognize the new trade unions, to conduct negotiations with them and conclude collective bargaining agreements with them. In such cases the plant management usually explains its stand by the existence of the old trade unions, although in most instances such arguments have no legal substantiation. But the inexperienced functionaries of the new trade unions, who are not used to appealing to the judiciary, are often confused by this and find themselves in a predicament. Some times official recognition cannot be gained even by those trade unions that have become firmly established in other areas. For instance, it took the nationally prominent union of locomotive drivers several years to gain recognition.
No denying it, such infringements of trade union rights occur throughout the world. But, first of all, this does not make them any less unlawful and, secondly, most noteworthy, these are such infringements that, as different from many other socio-economic woes, can be eliminated already in the nearest future. We do not have here insurmountable objective obstacles like the ones that do not allow us to hope for a quick eradication of poverty. Here everything depends on the efforts of the authorities, the trade unions, on the alliance of trade unions with the democratic part of society and the human rights movement.

Limited awareness of trade union rights and freedoms. Underdeveloped nature of mass consciousness.

Unfortunately, the shortcomings in the assertion of human rights as regards trade unions cannot be reduced to routine violations of labor legislation that are customary to all countries. Very much alive in transitional Russia are the habits, traditions and attitudes of the former state socialist society and for this reason the current state of mass consciousness is the main obstacle to the assertion of these rights. The predominant atmosphere in terms of culture and values is often at variance with the socio-political atmosphere. As a result, what appears to be the greater part of the population turns out to be incapable of quickly availing itself of the existing political and social possibilities.

From the formal point of view it is true that trade unions in Russia encompass the overwhelming majority of the active population. Judging by summarized reports by trade union leaders, of the slightly less than 70 million wage and salary earners in the country, some 60-65 million, or 80-90 percent of those gainfully employed, are members of trade unions. Of these from 55 to 60 million belong to the old organizations and up to 5 million to the new ones. /Assessments of the size of their membership made by the leadership of most trade unions are contained in the manual Kto est chto. Politicheskaya Moskva. 1994. Kniga 2. Profsoyuznye tsentry i obyedineniya (Who is What. Political Moscow. 1994. Book 2. Trade Union Centers and Associations), Moscow 1994/. If we use another source - the results of national polls, we will see that the number of trade union members is smaller. In the spring of 1994 in the course of one of the most representative of such polls, some 75 percent of gainfully employed city dwellers (more than 50 million in terms of all gainfully employed) stated that they consider themselves to be members of trade unions. From 65 to 70 percent of the respondents said that they were members of the old trade unions and 5-10 percent said they were members of the new ones. (These figures are from the data base of the All Russian Center for the Study of Social Opinion) Although the latter figures are smaller than the former ones, still they point to a level of organization in trade unions that is higher than in most countries of the world.

But one should treat such statistics with caution because they encompass all organizations that describe themselves as trade unions. Most of these organizations, as we know, are not yet trade unions in the full meaning of the word, they are still on their way to becoming full-fledged trade unions. The huge membership of the old trade unions, actually accounting for some three quarters of all hired labor, is explained by the mandatory and formal membership that they inherited from the pseudo-trade unions of Soviet times, when all wage and salary earners, all students
and pensioners had to join them. For this reason the greater part of those who are now listed in FITR trade unions are not necessarily conscious members capable of responsible actions of solidarity and of obeying trade union discipline. As to the new trade unions, they are made up of people who joined them voluntarily. But they are not many and even among them there are some that can be described as quasi-trade union entities.

Contrary to formal statistics, it is only a clear minority of blue- and white-collar workers who are not just members of trade unions but are prepared to obey discipline and act in labor-related matters in the same manner as trade union members throughout the world. One can judge about concrete proportions by the number of people who during national surveys in 1994 and 1995 agreed that trade unions protect the interests of working people, that in difficult situations one should go to the trade unions for assistance, that trade unions deserve to be trusted, that they play a noticeable role at enterprises and that their influence in society should increase (see Table 2). This ratio fluctuates within the limits of 20-30 percent of the polled blue- and white-collar workers, sometimes dropping to 10 percent. As we see from these figures, in present-day Russia it is rather 25 percent of all hired labor, and not 75 percent, who are really exercising their trade unions rights.

Similarly, the scale of the strike movement in present-day Russia can be regarded as substantial only when compared with the Soviet times, when in conditions of state socialism the strike movement was almost totally suppressed. But even the present level of occurrence of strikes, in which less than 0.5 percent of all wage and salary earners take part annually, is far behind the corresponding indicators in most democratic states.

It is noteworthy that in Russia the number of people who think that the right to strike does more good than harm is still smaller than the number of people who hold the opposite view - - 23 percent against 35 percent according to a poll conducted late in 1994.

Generally speaking, the fact that about a quarter of the population has become aware of trade union rights and the possibility to go on strike in the course of the first five years of relatively free development, also points to the very good part at which the human rights situation is improving in Russia. It should be remembered that in the West the initial stage of the growth of trade unions spanned the lifetime of several generations. The difficulty, however, is that in a country that is emerging out of state socialism, along with the mastering of human rights that are associated with trade unions, there are also developing socio-psychological processes that are pushing mass consciousness in directions that totally differ from such things as growth of trade union consciousness.

In particular, in existing conditions the reaction to the elimination of the system that forced everybody to join state-run pseudo-trade unions may turn out to be quite a contradictory one. On the one hand, it may take the form of determination to have, at long last, genuine trade unions or it may take the form of the development of individualism. This is very understandable from the socio-psychological point of view. The former universal belonging to organizations that were called trade unions signified the dominance in society of mandatory and imposed solidarity, of forced, non-free and essentially hypocritical collectivism. For some time this non-freedom is not noticed and forced collectivism is regarded as something to be taken for granted.
TABLE 2
Numerical Strength And Influence Of Trade Unions
(on the basis of the results of a national poll conducted in 1994)

<table>
<thead>
<tr>
<th>Indicators of numerical strength and influence</th>
<th>% of those to whom these indicators apply among blue-collar workers in % of all polled</th>
<th>% of those to whom these indicators apply among white-collar workers (in % of all polled)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Affiliation with trade unions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regard themselves as members of new trade unions</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Regard themselves as members of traditional trade unions</td>
<td>68</td>
<td>67</td>
</tr>
<tr>
<td>Do not regard themselves as members of trade unions</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Do not know, hesitate to answer</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td><strong>Payment of trade union dues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do pay trade union membership dues</td>
<td>81</td>
<td>76</td>
</tr>
<tr>
<td>Do not pay trade union membership dues</td>
<td>15</td>
<td>19</td>
</tr>
<tr>
<td>Do not know, hesitate to answer</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td><strong>Assessment of the role of trade unions in society’s life</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade unions play a positive role</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Trade unions play a negative role</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Trade unions do not play a substantial role</td>
<td>64</td>
<td>69</td>
</tr>
<tr>
<td>Do not know, hesitate to answer</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td><strong>Assessment of the role of the traditional and new trade unions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The interests of rank-and-file are better protected by the new trade unions</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Do not know or think that trade unions do not protect the interests of rank-and-file</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td><strong>Trust in trade union</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade unions can be trusted fully or in part</td>
<td>66</td>
<td>65</td>
</tr>
<tr>
<td>Trade unions do not merit trust</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>Do not know, hesitate to answer</td>
<td>55</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>23</td>
</tr>
</tbody>
</table>


But when conditions that make belonging to state-run trade unions unavoidable disappear, one begins to experience in full measure the gravity of pseudo-collectivism. One of the outward manifestations of this feeling is the dawning of the understanding that the old trade unions were phoney and worthless. Today the old trade unions are among the most negatively viewed institutions in society’s life. In the case of some people departure from forced solidarity generates a striving for
free, genuine solidarity, but in the case of other people it generates disenchantment in the usefulness of any large-scale collective actions in general.

It is hardly possible to give a precise quantitative assessment of the growth of individualistic sentiments in the sphere of labor relations. True, it can be recalled that 20-25 percent of wage and salary earners, who were polled in a 1994 national survey devoted to trade unions, had said that they either were not members of any trade union any more, or did not know whether they were members or not (see Table 2). In Russian conditions an open declaration of one’s withdrawal from trade union membership points not only to a passive attitude to trade unions, but also to a definite and active desire to stay away from them.

Similarly (if not even in a stronger way), the preservation of the psychology of paternalism and worship of the state also obstructs growing awareness of labor rights and, in a broader sense, the assertion of legal consciousness in the sphere of labor.

Hired labor still retains the mentality of kow-towing to the state, of state fetishism. Numerous polls show that when it comes to defending their rights in the social and labor sphere, most blue- and white-collar workers more often count on the assistance of the state than on trade unions and their own collective actions. Thus, among skilled workers the ratio between those who count on the assistance of the state in difficult situations and those who count on trade unions is 4 to 1, while the ratio in favor of plant managements in such situations is even 8 to 1. The corresponding ratio among unskilled workers is 11 to 1 and 13 to 1 respectively.

The impact of state fetishism is further increased by the strength of paternalistic relations in the Russian economy. This strength stems from the special nature of the social organization of enterprises that formed in Soviet times when everything was dominated by the state. The industrial and non-industrial social structures were intertwined to a greater extent than under any other system. In the Soviet Union most enterprises, especially the big ones, were not only economic entities but also the leading social cells of society. Such cells performed not only production functions, but also many functions of distribution, of providing community and cultural services, housing and other amenities. In fact, this was a sort of life-care system, with benefits handed out at the enterprise in case of birth and in case of death, thus symbolically setting the limits to the life of Soviet people.

In such conditions enterprises and institutions acquired the features of a peculiar industrial community. Of course, similar features can be found to this or that extent in organizations with large staffs in any society. But in the Soviet system and generally in systems of the state-socialist type, the industrial community structure of enterprises developed to a much greater extent than in most other modern societies. Therefore, social-labor relations within the framework of the Soviet system became state-paternalistic. The worker felt both dependent on the state, the Party, the enterprise, and also that he was a protégé. And, in fact, the state performed both these functions. The multilevel system of subordination and of support bodies (at the enterprise, in the district, the region, the capital) created a balance (or the illusion of a balance) between dependence on, and manna from the state.

The state-paternalistic nature of labor relations and labor consciousness of the period of state socialism is felt in present-day social and psychological relations in the sphere of labor. The destruction of the upper strata of the state socialist system and the gradual transition of most enterprises into group or individual ownership (to
be more correct, semi-private ownership) is only rarely accompanied by an elimination of the industrial-community organization at all levels of society. More often, this organization is eradicated only in the upper echelons of the social system where the transformations have crushed the Party-State organs, the purveyors of paternalism, and replaced them with institutions of a new type. But within the enterprise itself, the management was the chief purveyor of paternalistic relations. And since the plant management usually becomes the owner or part-owner of enterprises in the process of privatization, the old industrial-community organizations and paternalistic social-labor relations may well remain in place. This possibility easily becomes a reality given Russia’s long entrenched industrial community and the still-dominant psychology of state fetishism. The principal model of privatization, in which the controlling block of shares remains formally in the hands of the labor collective, further increases this tendency. According to the results of studies of enterprises in different regions and of interviews with representative workers, conducted in 1993-1996, most large industrial enterprises remain industrial communities, and their labor relations remain paternalistic (For more details on these observations see Sotsialno-trudovye issledovaniya (Socio-Labor Studies), 3rd Issue, Moscow, 1995; World Economy and International Relations, Moscow, 1994, Nos. 6 and 7.

The difference consists only in that the depth and the multilevelness of this paternalism have decreased dramatically. The worker is now virtually independent of the organs over the enterprise, but these organs do not restrict the worker’s dependence on the enterprise or its management. In other words, the all-embracing and rigidly structured, multilevel state system of industrial communities has broken down into aggregates of local, private industrial communities. Just as state-paternalistic labor relations have broken down into private-paternalistic ones.

The private-paternalistic consciousness evidently is the most widespread type of labor consciousness in today’s Russia. If we are to proceed from the premise that orientation at trade unions and individualistic go-it-alone attitudes are typical of about a half of all hired labor and are more or less equally spread out, it comes out that the remaining half of hired labor is spontaneously in support of paternalism. The latter is particularly true of the less skilled workers. It is interesting to note that whereas 48 percent of unskilled workers say that strikes do more harm than good, the corresponding figure among specialists is only 26 percent. It can be said that this passive, paternalistic attitude in labor relations determines the behavior of about the same percentage of workers as do the two active types of consciousness -- the trade union, collectivist and the individualistic ones.

In conditions of the transitional crisis paternalistic attitudes, the desire not to rely on oneself but to entrust oneself to the "care" of owners or plant managers, are often more manifest at big enterprises which normally are centers of trade union activity and solidarity. This retreat from "normality" is the obverse side of the crisis social policy which, it must be admitted, is justified and accords with the interests of hired labor. In pursuance of this policy owners and management reduce their costs not by the wholesale sacking of personnel, but by cutting wages by way of reducing the working day or the working week, by introducing leaves without pay and other similar measures.

The pursuance of such a policy, that is especially needed at bigger enterprises, makes it possible to avoid mass open unemployment, reduce social tension and win
time needed to find a way out of the crisis. Time, indeed, is needed to enhance the efficient performance of one set of enterprises, change the specialization of other enterprises and close down still another set of enterprise. But during this time of semi-idleness of enterprises, their "crisis hibernation", they are left by their more active, energetic and skilled personnel.

As a rule, these employees leave for small private firms, the service industry, etc. where earnings are from 50 to 100 percent higher than in most big industrial enterprises. As a result, the share of socially active, "strong" workers drops at big enterprises and the share of passive, "weak" ones noticeably increases. This environment is conducive to the strengthening of the industrial-communal structure of big enterprises, perpetuates the private-paternalistic nature of labor relations and encourages the revival of pseudo-trade union attitudes. Since such enterprises and their collectives traditionally exert a considerable influence in society, the prevailing moods at them noticeably influence mass consciousness as a whole.

*Relatively moderate scale of unemployment till the mid 90s. Probability of its future growth*

Unemployment in present-day Russia is a social problem of labor where violations of human rights have not become excessive (as compared with the situation in other countries). This seemingly paradoxical situation is explained by the fact that in reality unemployment is only beginning to originate in Russian society. Although in the mid-1990s the scale of unemployment and partial employment in Russia was quite substantial, still it did not affect directly the main mass of hired labor.

At the end of 1995 there were 2.3 million officially registered jobless in the country. By the middle of 1996 this figure grew to about 2.6 million and reached about 3-4 percent of the economically active population. Of course, not all unemployed go through the procedure of registration. More accurate studies conducted by methods of the International Labor Organization indicate that unemployment affected some 6 million people late in 1995 and 6.5 million by the middle of 1996. This means that not 3-4 but 8 percent of the active population were out of work by the end of 1995 and almost 9 percent in the summer of 1996.

Besides, forced partial employment, which includes elements of unemployment, has become widespread in Russia. The main forms of partial employment - - reduced working hours with corresponding cuts in wages, forced leaves without pay on order of management - - in some months in 1995 and 1996 affected about 5-6 million people and even more (usually 2 million with a reduced working day and 2-3 million on forced leave without pay). At times, as we see, partial employment affected up to 10 percent of the entire labor force. True, partial employment did not always develop into unemployment and by far not all the partially employed went without work and pay for periods of a full month. Nevertheless, calculations by statisticians allow for the conclusion that partial employment in 1995 increased the aggregate potential of unemployment by at least 10 percent.

Yet, such a level of unemployment and, correspondingly, such a level of non-observance of the right to job protection is not something out of the ordinary in the world of today. In many industrially developed countries in recent years the level of unemployment reached 11-12 percent. During slumps, much less serious ones than
the present slump in Russia, the level of unemployment in industrialized market
societies goes up to 12-16 percent. More than that, partial unemployment affects
from 15 to 20 percent of the active population. It is important to note that in Russia
the rates of unemployment are still almost 50 percent lower than in many East
European countries which, like Russia, are going through the crisis of transition to
the market. In 1993, for instance, the share of fully unemployed in the economically
active population of Bulgaria, Hungary and Poland reached 13-16 percent.
While not yet of crisis proportions, unemployment in Russia raises serious issues in
terms of the right to work and job protection. Every tenth adult in Russia is
searching for work without success. Some 23 percent of all registered unemployed
in 1995 and about 15 percent in 1996 were out of work for more than a year. This is
an indication of the rapid formation of stagnant unemployment which merges with
the pauperized sections of the population of big cities that are at the bottom of the
social ladder. Still worse, many of the unemployed are young. At present young
people aged under 30 account for 21-22 percent of the working population. But their
share among the unemployed is twice bigger — about 40 percent. Lengthy
unemployment debases and tempts young people to take to the path of crime.
In present-day conditions only very limited measures are being taken to alleviate the
position of the unemployed. The small benefits, that are provided for by legislation,
are paid to some 85 percent of the registered unemployed. This means that only
about 30-35 percent of all those who are without work receive them. Besides, in
most cases unemployment benefits are paid for a period of not more than three
months. In practice, however such payments are often delayed or not made at all. In
the summer of 1996, for instance, because of the overall financial situation in the
country unemployment benefits were not paid in 47 of Russia’s 89 regions.
True, the level of unemployment in Russia is lower than in many countries, but, as
compared to the West, much less is being done in Russia to help those who have
lost their jobs.
The right to job protection will acquire greater urgency in Russia because
unemployment is expected to grow. It should be borne in mind that in the period
from 1992 to the middle of 1996 alone the number of jobless almost doubled from
3.6 to 6.5 million. Industrial statistics are even more revealing. In the period from
1990 to 1995 industrial output in Russia dropped by 35-40 percent, while
employment dropped by only 10-11 percent (see Table 3).
TABLE 3
Employment and Unemployment in Russia

<table>
<thead>
<tr>
<th></th>
<th>(thous.)</th>
<th>% of economically active population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically active</td>
<td></td>
<td></td>
</tr>
<tr>
<td>population (employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and unemployed)</td>
<td>-</td>
<td>75665</td>
</tr>
<tr>
<td>Employed population</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>73848</td>
<td>72071</td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>3594</td>
</tr>
<tr>
<td>Including officially</td>
<td></td>
<td></td>
</tr>
<tr>
<td>registered</td>
<td>62</td>
<td>578</td>
</tr>
<tr>
<td>Including those paid</td>
<td>-</td>
<td>371</td>
</tr>
<tr>
<td>unemployment benefits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Labor and Employment in Russia, 1995, pp. 18, 84; Russian Statistical Yearbook, 1994, p. 54; Standard of Living in Russia, 1996, 21.

Of course, everywhere in years of crisis employment declines slower than production. In Russia, however, the discrepancy between these two indicators is clearly of an unusual scale. This must be a reflection of the semi-spontaneous, semi-deliberate employment policy that avoids staff reductions almost as a principle, even at loss-making enterprises that have no future. The already mentioned partial employment is the main reflection of this policy. Actually it boils down to replacing full unemployment with a partial one, or to more or less evenly spreading the hardships among all those who are gainfully employed.

It appears that in general, considering the circumstances of the early 1990s, this policy was justified. It alleviated hardships and this probably outweighed the economic costs of this policy. Government, most managers and most workers opposed the idea of simultaneously sacking millions of wage and salary earners. But such a policy cannot be pursued endlessly. If pursued for too long, it will finally undermine labor morale, suppress initiative and enterprise among managers and make impossible the economy's integration into a competitive market environment. It can be expected that in the second half of the 1990s there will be a switch from the present "soft" employment policy to a tough policy of bringing employment in line with the real requirements of the economy and the possibilities of each concrete enterprise.
Socio-Economic Change with a Preponderance of Processes of the Degradation of Social and Economic Rights

Absence of a fair remuneration of labor. Decline of real wages and pensions. Insufficiency of the incomes of the main mass of the population

Strikingly differing from the situation with rights that quarantine the freedom of socio-labor relations is the situation with the socio-economic rights that proclaim rights to fair remuneration of labor and decent living. The difference in these trends is determined by the abundance of positive changes in labor relations and negative changes in the remuneration of labor and living standards. Herein lies the main contradiction of socio-economic rights in contemporary Russia. In effect; here; within the confines of the social sphere, we see a recurrence of the more general contradiction of the progress of human rights in Russian society in the 1990s: the combination of advance towards freedom in socio-political life and a retreat in the socio-economic position of working people and social guarantees.

Let us try to avoid exaggerations. The deterioration does not affect all elements of life and well-being. Many components of what adds up to the concept of standard of living are no worse today than yesterday, but some have become noticeably worse. Empty store shelves have become a matter of the past, as well as the striking contrasts for shoppers in the biggest cities and in the rest of the country. The excessive regulation of life and work is no longer there. Millions of people have learned for the first time what freedom of consumer choice means.

On the other hand, life has become much more difficult for the majority of the population. Even before the commencement of the crisis of transformation, that started with the dismantling of state socialism in Russia, one could speak only with certain reservations about fair remuneration of labor, secure old age and a decent life. But now, after the dramatic worsening of the quality of life, these rights have become unattainable, at least in the foreseeable future.

The state of affairs with labor remuneration and maintenance in old age is characterized by statistics on changes in wages and pensions (see Table 4). The general direction of this movement was determined early in the 1990s by galloping inflation. But in the middle of the decade financial stabilization was achieved at the price of a substantial compression of mass incomes. As a result; both at the peak of the inflation and in the years of its attenuation, changes in real wages and pensions had a similar wave-like nature. Sometimes wages and pensions fell far behind the soaring prices, sometimes they would regain some of the lost ground, but never fully.

The noticeable lag of wages and pensions behind prices began already in 1991 when in real terms they amounted to 97 percent of what they were in 1990. In reality the deterioration was much worse since the official statistics do not take into account the terrible commodity shortages late in 1991. With the liberalization of prices in January-February 1992 real wages and pensions collapsed, dropping by 50-60 percent. Then they started growing again - - wages from the end of 1992 and pensions the next year. As a result, in 1993 they reached 65-66 percent of the level of 1990, and in 1994 slumped slightly to 62 percent. Throughout 1993 and throughout the greater part of 1994 wages and pensions changed more or less in line
with the growth of prices, sometimes lagging behind them and sometimes even slightly outracing them. At the same time shortages disappeared and this made life more bearable.

But then came a new spiraling of prices in the autumn and winter of 1994/95 (after the notorious "Black Tuesday" in October 1994) and with them a substantial depreciation of wages and pensions. In the remaining months of 1995 the wave of wage increases slightly outpaced the growth of prices, the more so that there was a noticeable decline in the rate of growth of prices. Nevertheless by the end of 1995 and even by the middle of 1996 neither wages nor pensions reached the level of 1993-1994. Calculations made on the basis of Goskomstat data show that the average wage in 1995 was on the level of 47 percent of real wages in 1990, while pensions were on the level of 50 percent. In the first half of 1996 pensions showed a slight improvement - 50-55 percent.

<table>
<thead>
<tr>
<th>Years</th>
<th>Average monthly wage</th>
<th>Average monthly pension</th>
<th>Average monthly incomes in the per capita estimation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>303</td>
<td>102</td>
<td>215</td>
</tr>
<tr>
<td>1991</td>
<td>295</td>
<td>100</td>
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<td>1992</td>
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<tr>
<td>1995</td>
<td>140</td>
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<table>
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<tr>
<th>Years</th>
<th>In % to 1990 with due account for changes in the consumer price index</th>
<th></th>
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<tr>
<td>1990</td>
<td>100</td>
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<td>62</td>
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<td>83</td>
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<td>1995</td>
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<table>
<thead>
<tr>
<th>Years</th>
<th>In % of the monthly living minimum in the corresponding year</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>299</td>
<td>116</td>
<td>210</td>
<td></td>
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<tr>
<td>1993</td>
<td>278</td>
<td>137</td>
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<td>1994</td>
<td>248</td>
<td>124</td>
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<tr>
<td>1995</td>
<td>182</td>
<td>99</td>
<td>202</td>
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**Source:** Calculation and Evaluation: Standard of Living in Russia. 1996, p. 9, 10, 42, 47; Russia in Figures. 1996, p. 56, 53.

We see that the drop in the purchasing power of wages and pensions early in 1995 was on a smaller scale than in 1992, but still quite substantial. It should be remembered that the sharp drop in 1992 occurred at the time of an inflationary explosion when prices peaked. The very drastic drop of wages and pensions in such conditions was not a absolutely unavoidable, though very probable and explainable.
But in 1995 the decline coincided with a noticeable slowing down of inflation and the appearance of hopes of stabilization in the economy and even recovery. This clearly indicates that an attempt to overcome the economic crisis at the expense of the wages and pensions of the rank-and-file was made.

The halving of wages and pensions, that were small to begin with, means that today an average wage and the more so an average pension are not enough for a life worthy of a human being. The present wages and pensions rather allow the majority of the population to sustain only some level of poverty. This is particularly true of pensioners: the average pension in 1994-1996 was only slightly bigger than the living minimum, that is a level not even of a relatively "neat" poverty, but outright poverty. In the mid-1990s the average wage amounted to about 2 living minimums.

But for every 10 wage and salary earners at the time there were almost 7 dependants (not counting pensioners). Since quite a few pensioners also live not so much on their pensions as at the expense of their working relatives, it comes out that the actual average wage with account for dependants is not much bigger than the living minimum.

True, in present-day Russian society official statistics on earnings inevitably and increasingly tend to be understated as compared with the real remuneration of wages (including in respect moonlighting by pensioners). State statistics reflect far not fully secondary employment that is expanding with every year. Even actual remuneration at the main place of work is not always truly reflected in statistics and tax statements. This concealment is indirectly confirmed by the absolutely improbable figures concerning the amount of receipts from property and entrepreneurial activity in the aggregate cash incomes of the population. According to official figures, in 1995 these receipts exceeded all the main and additional types of labor remuneration put together. This ratio obviously does not correspond to the truth of life and is explained by the impossibility to take into account the diversity of regular, temporary, chance, overt and covert earnings that now supplement the earnings of people.

This shortfall in accounting is illustrated also by the estimates of wages and settlements in rubles in 1990: if we are to believe official figures, it turns out that wages today are lower than per capita incomes, something that simply cannot be (see table 4).

From this point of view it is useful to compare data on wages and pensions with data on the entire cash incomes of the population. In some instances, the sum total of incomes lends itself to better adjustment with due account for possible concealment. The dynamics of cash incomes confirm the decrease of the total amount of money in the possession of the population, but at the same time also shows that the decrease in the 1990s was evidently smoother than indicated by official figures on wages and pensions. Just as the latter, real cash incomes of the population dropped in 1292 to 63 percent of the level of 1990, then grew faster than wages and pensions - - to 74 percent in 1993 and 83 percent in 1994, while in 1995 they dipped again , though less that wages and pensions, and reached 72 percent of the level of 1990.

It stands to reason that whereas official statistic on wages and pensions downplay the sums that are in the hands of the rank-and-file, the statistics on cash incomes, that combine wages and pensions with profits, interest on capital, receipts from property and other incomes of the rich upper crust, tend to overstate the situation of
most rank-and-file wage earners and pensioners. One should think that the true figure of the drop in the means of livelihood, that determine the living conditions of the majority of the population, is somewhere in between these indicators. In 1995-1996 the average per capita cash income amounted roughly to 2 living minimums. This means that the actual remuneration of labor makes it possible, on the average, to have a living standard that is ensured by not more than one or two living minimums. Incidentally, if we count the average per capita cash income not of all families, but only of 80 percent of them (subtracting the 20 percent of the wealthiest ones that in 1994 and 1995 accounted for more than 45 percent of all incomes) we will get a figure close to 1.3 of the living minimum. This means that even if we count all cash incomes, the crux of the general conclusion will not be altered: the main sections of Russia’s population, that is people who live mostly on their wages or pensions, so far are not being paid fairly for their work in their youth and mature age, and not getting adequate pensions in their old age.

It should be noted that in 1992-1995 a considerable part of the population, roughly some 20-30 percent in the average annual estimation, belonged to families in which the per capita income was below the living minimum. Here we must speak not about insufficient incomes, but about the extreme meagerness of wages and pensions. Those families that are permanently in such a situation are the worst off. Throughout 1994 a half of all of the poorer families had an income that was below the living minimum and in 1995 the corresponding figure was a third. But it should be remembered that there were families which qualified for this category for periods of less than a year. In other words, 5-10 percent of the population belong to families that are doomed to outright poverty. Of course, there are instances when meager incomes are explained by drunkenness, laziness, psychological instability, etc. but just as often such poverty is a result of disability, honest unemployment, a big number of children. Even those who have only themselves to blame for their woes often have children and disabled relatives whose poverty is not determined by any fault of theirs. In this sense, the noticeable share of poverty incomes in contemporary Russia reflects not so much the inevitable presence of vice in society, as the insufficiency of social protection and assistance to those who are in need.

Impossible to exercise the right to a decent standard of living. Changes in material consumption

The pauperization of the majority of the population, a trend that runs counter to the growth of freedom and splits mass consciousness, is illustrated not only by statistics on wages and pensions. No less convincing are statistics that express consumption and living standards in kind. The deterioration in the quality of affordable food is more marked, as compared to clothing, housing and domestic appliances. The most important accomplishment in the sphere of quality of life in the 1960s-1980s was the population’s transition from the diet of bread, potatoes and herring during Stalin’s times to a diet that included meat, milk, vegetables and to a certain extent even fruits.

In the past decade, judging by official data, a considerable part of Russia’s population has returned to a predominantly bread and potatoes diet. In the mid-1990s average per capita consumption of meat, milk and animal fats dropped to the level of the early 1960s, while consumption of eggs, vegetables and fruits dropped
to the level of the 1970s. So, in terms of quality and volume of food consumption, Russia has retreated by about a quarter of a century.

There has also been a marked decline in the use by the population of many social services, for instance, in the sphere of public health, education, recreation and leisure. Starting with the late 1980s there began a drop of standards in the public health system: the number of doctors per each 10,000 potential patients dropped from 47 in 1990 to 44 in 1995, the number of nurses dropped from 125 to 111 and the number of available hospital beds from 138 to 126. Various forms of cultural activities sharply declined. Whereas in 1990 some 144 million people visited museums, the figure for 1994 was already only 62 million; the decline in visits to theatres was from 72 to 59 million respectively, and while 72 million people went to libraries in 1990, the figure in 1994 was 59 million. Much fewer people went to sanatoriums, holiday homes and vacation camps, the decline being from 33 million in 1990 to 9 million in 1995.

Life became worse for children as well. Whereas in 1990 there were 9 million children in nurseries and kindergartens, the figure for 1995 was less than 6 million. Late in the 1980s about 8 million school children would go to summer camps. In the mid-1990s the figure was already only 4-5 million.

All these statistics reflect very complex changes in the population’s way of life. They are by no means limited to reduced possibilities in the sphere of social services and recreation. The former services, that were provided free of charge, were drab in their uniformity, offered little variety and were actually imposed on society. They are withering away and are being replaced by diverse and freely chosen ones, be it in the sphere of medical treatment, education or recreation. The trouble, however, is that these two sides of one and the same process are not coinciding in time. The old systems of services have been destroyed, while the new ones are yet only emerging. Besides, those who live on wages and pensions cannot really afford them. Another obstacle to the development of services is created by the old notions of what the ratio of cost of commodities and services should be.

It may be that the former standards of medicine, education and recreation will be attained faster than the standards of the population’s nutrition. Whatever the case, today the constitutional rights to rest and recreation, health protection and medical aid, to education and participation in cultural life are ensured less reliably than in the 1980s. In the broader sense this situation, just as the deterioration in nutrition, indicates a retreat from the right to a quality of life worthy of man.

Against the background of the worsening situation with food and social services it is noteworthy that in the 1990s nothing of the sort has occurred in respect of housing, clothing and home belongings. There has been no decline in the size of dwellings and the purchase and use of household appliances. In 1985 there were 14.9 square meters of floor living space per every inhabitant of Russia. This figure rose 16.4 square meters in 1990 and to about 18 square meters in 1995.

The number of television sets, refrigerators, washing machines, that is appliances that have long become part of the daily life of people, per every 100 households has remained on the same level or slightly increased (roughly in the same proportion as in the 1980s). As to more modern appliances, their number is increasing even faster. There has been a remarkable increase in the number of car owners. In 1980 there were 10 cars per every 100 families, in 1990 - - 18 and in 1995 - - 29. From 20 to 25
percent of town families own a summer residence - - cottages built on plots of land allotted for gardening or houses in villages.

No denying it, contradictory trends are concealed behind the average figures. There are hundreds of thousands, even millions of families that live worse than before, that can afford to buy less clothing, food and housing appliances than before. But when we speak of benefits that the overwhelming majority of families have, like television sets or housing, the average indicators (like in the case of foodstuffs as well) express precisely the predominant trends.

In short, the changes in the provision of the bulk of the population with housing and household appliances in the 1990s turned out to be exactly opposite to what has happened with nutrition and mass forms of social services. This phenomenon is the more amazing that food is one of the most pressing and less elastic of human needs. Proceeding from common sense one would think that dropping living standards due to high costs (and not shortages of supply) would have affected nutrition in the last turn. One would think that the majority of the population would start economizing on food only after first "trimming" all their other expenditures. Observations show that this is exactly how the elderly behave. Nevertheless, as demonstrated by predominant average indicators (which, as it was already said, characterize the situation of the majority) it was nutrition that deteriorated most rapidly in Russia.

The various components of what is called standard of living in the case of most Russians changed in the 1990s, if one can say so, according to a "youth" pattern of behavior: readiness to go hungry for the sake of buying fashionable clothes and articles that are associated with group identity. This situation can be explained, probably, by the fact that the transformation crisis coincided in time with a period of fundamental changes in the consumer behavior of the broadest sections of the population. The modernization of Russian society in the 1980s and 1990s, its opening up to the West generated an urge to approach world standards of consumption. Clothes of rapidly changing design, electronics, cars and spacious housing are inseparable elements of such consumption. At a time of changes connected with the establishment of a new pattern of preferences, when new types of commodities and services become increasingly widespread, during this time the conventional hierarchy of preferences may weaken. In such times the desire to acquire something that is new and fashionable may be stronger than the natural need for food.

In respect of the question of dropping living standards and the right to a decent life, the change in the hierarchy of requirements is important not only because it makes it easier to understand the more rapid deterioration of nutrition. In the light of the notion of growing requirements the other side of this correlation appears differently as well - - the certain improvement in acquisition of commodities and housing. At a time when requirements change rapidly and become more intensive, prime importance is being acquired not so much by the occurring improvements, as by the fact that they are slow and often concern only the minority of the population. The slow improvement in the housing conditions and purchasing power of the majority in conditions when the yearning for this is growing very rapidly can be described as relative impoverishment. It can also be said, however, that a relative shortage of belongings and housing is incomparably better than an absolute worsening of nutrition and social services. It is doubtful that the positive changes in availability of housing and purchasing power, that make the overall worsening of the situation
relative and not absolute, can in any way compensate for the deterioration in the other spheres of life.
In any case mass consciousness does not accept this compensation. Thus, the majority of the population qualifies the present living standards as very low much lower than in the past. Almost 88 percent of the respondents in a representative survey of Russia’s adult population in March 1996 said that they are “resources”. If such identification becomes entrenched in the minds of the majority of the population, this may lead to a strengthening of utopian and ultimately reactionary and non-democratic notions of social human rights. Post-socialist Russia does not have the possibility to quickly improve the population’s life and raise it to the level of modern standards. On the other hand, the vast majority of the population knows what these standards are and wants them.
In these conditions demands for an immediate attainment of Western standards, however attractive and understandable, would be unrealistic. On the other hand, just and popular social rights, even if they cannot be ensured at once, should be an organic part of human rights ideas and activities. The strategic, long-term aspirations of the human rights movement in the social sphere manifest themselves in the grounding, development and upholding of these rights. In Russia the fulfillment of these aspirations will become possible in practice only when the crisis of transformation is overcome and economic recovery begins, when the principles of democracy and the market economy become firmly established. But human rights activities in the social sphere should not be directed at the attainment only of distant aims. The protection of social and economic rights acquires real meaning only when it is connected simultaneously with efforts to solve problems in concrete areas where it is possible to achieve an immediate or quick improvement of the situation with the observance and application of these rights.
Such possibilities are particularly obvious in such areas as social and labor relations and the development of trade unions.
Among socio-economic problems where non-observance of human rights must and can be overcome quickly, great urgency has been acquired in recent years (1994-1996) by mass delays in the payment of wages and pensions. The social significance of these non-payments is determined both by the great hardships that they impose on those who are directly affected by them and by the impact that they have on the entire social and political situation in the country.
For the first time delays in the payment of wages became quite widespread in Russia after the liberalization of prices in 1992. It seemed at the time that this was caused mainly by the physical shortage of cash needed to service turnover in conditions of price increases. Printing of more money appeared to have solved the problem. In any case, in the course of 18 subsequent months non-payment of wages was not a major issue in labor relations.
But the situation took a sharp turn for the worse at the end of 1993 (see Table 5) when about 50 percent of all wage and salary earners began getting their pay with delays of various length. Of course, delays of several days did not create very big problems for most people. Still, at the end of 1993 about 11 percent of respondents said that they were paid with delays of a month or more.
For the majority of wage and salary earners, who live from pay day to pay day, delays of one month create very serious problems, forcing many of them to borrow and excessively economize.
TABLE 5
Incidence of Delays in the Payment of Wages
(on the basis of national surveys in 1993-1996)

<table>
<thead>
<tr>
<th>Time of survey</th>
<th>Percent of respondents who were paid their wage for the month preceding the poll either on time or with delay</th>
<th>Total respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wage paid in full and on time</td>
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<tr>
<td>March 1993</td>
<td>62</td>
<td>100</td>
</tr>
<tr>
<td>December 1993</td>
<td>48</td>
<td>100</td>
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<td>March 1994</td>
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<td>June 1994</td>
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<tr>
<td>November 1994</td>
<td>40</td>
<td>100</td>
</tr>
<tr>
<td>March 1995</td>
<td>43</td>
<td>100</td>
</tr>
<tr>
<td>July 1995</td>
<td>48</td>
<td>100</td>
</tr>
<tr>
<td>March 1996</td>
<td>31</td>
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</tr>
<tr>
<td>July 1996</td>
<td>34</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Wage or part of the wage paid with a delay of less than a month</td>
<td></td>
</tr>
<tr>
<td>March 1993</td>
<td>31</td>
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</tr>
<tr>
<td>December 1993</td>
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<tr>
<td>March 1996</td>
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<td></td>
</tr>
<tr>
<td>July 1996</td>
<td>39</td>
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</tr>
<tr>
<td></td>
<td>Wage delayed by more than a month (nothing paid for the previous month)</td>
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<td>7</td>
<td></td>
</tr>
<tr>
<td>December 1993</td>
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<td>July 1995</td>
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<td>March 1996</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>July 1996</td>
<td>27</td>
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</table>


As to delays of several months, they are catastrophic for many families. Lengthy delays in the payment of wages and salaries are particularly unbearable in northern areas where people do not have kitchen gardens to rely on.

In 1994 and early 1995 delays in payment of wages acquired a still greater scale. In fact, delays affected more than 60 percent of the labor force. This figure includes 15-20 percent of those who were not paid for a month or longer. There was a slight improvement in the situation in the summer and autumn of 1995, followed by a serious aggravation when winter set in. According to national surveys, the share of wage and salary earners who were not paid on time and in full reached almost 70 percent in 1996. From 20 to 25 percent of hired labor had to wait for a month and longer to be paid. Some had to wait for 3-4 months. There were instances when people had to wait for half a year to be paid. Delays in the payment of pensions became widespread beginning with the autumn of 1995. During the presidential election campaign in the spring and early summer of 1996 much publicity was given to efforts to pay out arrears and to solve the problem of delayed payment of wages and pensions. These efforts, however, produced only limited success: the further growth of wage and pension arrears was only slowed down and there was no reduction of the accumulated arrears. When summer came, backpay again began to grow rapidly.

In such situations delays in the payment of wages and salaries become the main issue and the main form of violation of socio-economic rights. All the rest- - the
general low level of wages and pensions, declining living standards, harsh working conditions and even the threat of unemployment - is felt less acutely. Not because all the rest is not important, but because long delays, sometimes of several months, in the payment of what has been earned are absolutely unbearable. As a result, in 1994-1996 delays in the payment of wages were the most frequent cause of labor conflicts. In the course of surveys conducted at that time 30-35 percent of respondents from among industrial and office workers named delays in the payment of wages as the cause of conflicts at their enterprises, 20-25 percent named demands for wage increases and 8-10 percent named working conditions. The hurt of lengthy delays in the payment of wages is exacerbated by the sense of social injustice and the absence of plausible explanations. Most working people understand or realize, if only vaguely, that massive delays in the payment of wages and salaries are not unavoidable (as many other difficulties of the transition period) and that this problem can be solved within a reasonable period of time.

Of course, one should not fall into the other extreme and reduce the entire problem to mistakes and abuse. After all, there are objective causes as well. Wage arrears are a part of the total gigantic debt of enterprises that formed in conditions of the disintegration of the state socialist economy and the transformational crisis. It transpired in the course of transition to the market that many enterprises and sectors that came into being in the Soviet national economy are ineffective in a market economy. But society cannot afford to close them down at once because tens of millions of people would be thrown out into the streets as a result without any means of livelihood. This process inevitably has to be drawn out and carried out in stages.

In a crisis situation graduality usually turns out to be very crude an imbalanced and it is in such circumstances that subjective weaknesses ply a tremendous role. Numerous loss-making enterprises alter nothing in their operations but are kept afloat by the state. No restructuring is carried out and no bankruptcy procedures are applied. Such enterprises inevitably accumulate wage arrears and even bigger debts to their suppliers. As a result of the traditional solidarity of plant directors (this phenomenon is explained as a leftover of Soviet times and by their confidence that the state eventually will write off their debts) and in the absence of a rigorous application of bankruptcy laws, plants can operate almost indefinitely, getting the necessary supplies and services on a loan basis. So, everybody, including even efficiently operating enterprises, owes each other huge sums. In 1995, for instance, the debts of enterprises exceeded the annual GDP.

It stands to reason that in such conditions wages are paid with delays. The need to pay other debts that are regarded as having a higher priority results in the absence of money to pay wages. But it is often open to doubt if such debts really should have precedence over the payment of wages. More often than not this is determined by tax regulations or the traditions of the state socialist economy when the needs of the state were always put ahead of the needs of the individual.

A considerable role here is also played by the myopic policy of some government agencies which from time to time try to plug the holes in the state budget by delaying payments or wages and salaries to the staff of numerous state-owned enterprises and institutions delay payments for fulfilled government contracts, etc. In such instances, it is precisely the state (along with loss-making enterprises) that triggers off an avalanche of debts along whole chains of inter-connected enterprises.
In 1996, for instance, the administration of Primorskiy Territory used for other aims the money that was earmarked for the payment of wages and pensions. What was unusual, though, in this situation was the resolve with which coal miners resorted to strike action and eventually forced Moscow to thoroughly check the actions of the local authorities. And, of course, there is the "black hole" of the Chechen war with its massive embezzlement of public funds and commercial fraud that contribute greatly to the aggravation of the problem. A substantial role in the chain of causes resulting in the growth of debts in general and wage arrears in particular is played also by the irregularities and mistakes of many players in the market. Thus, financial intermediaries and many plant managers delay money transfers and put them "to work" in order to make additional profit. Sometimes there is a sincere intent to thus alleviate the lot of an enterprise, but most often avarice is the motivation. These practices cause delays or even losses of money transfers with the result being growing debt and wage arrears. Investigations carried out by journalists show that plant managers are responsible for almost a half of all wage arrears.

All that has been said about wage arrears, including the subjective and objective causes of this phenomenon, does not mean, though, that there are no ways of coping with this calamity. On the contrary, the nature of the causes and the amount of wage arrears make it possible to do away with lengthy delays altogether or to substantially reduce them within a comparatively short period of time. In fact, as different from the problem of the size of wages pensions, this problem of ensuring timely payments can be solved even before full financial stabilization is attained and economic recovery begins.

Some of the factors contributing to the problem of wage arrears, such as mistakes by the authorities and abuse by plant management and other participants in the market, are only very indirectly connected with the economic crisis. Therefore, administrative, juridical, organizational and political measures, not really affecting the economy as such, would be sufficient to alleviate the situation. On the other hand, one of the root causes, of course, is the abundance of loss-making enterprises and whole industries. And this very much has to do with the economy. But as such, these factors will not vanish before the attainment of economic stabilization, though this does not mean that the scale of wage arrears cannot be reduced.

It should be remembered that wage arrears, although huge when compared with the size of wages and salaries, account for only a small fraction of the total debts of enterprises. As of the middle of 1995, delayed wages amounted to less than 5 percent of the total outstanding debts of enterprises, and wages delayed for more than a month accounted for some 2-3 percent of these debts. Even when wage arrears soared in the summer of 1996, they did not exceed 10 percent of the outstanding debts of enterprises. As to lengthy non-payments of wages that form the core of the problem, they remained within 5 percent of all the debts of enterprises.

It appears possible in this situation to mobilize resources with the aim of paying all wage arrears in the course of, say, a month or two. In an economy in which the monthly turnover amounts to hundreds of trillions of rubles it should be possible to find a couple of trillion rubles to solve quickly a very painful social and legal problem. Moreover, considering the size of the economy, the use of such an inflationary measure as increasing money supply in amounts necessary to eliminate wage arrears could hardly dramatically speed up inflation. But if this were done, it
would be necessary to strictly ensure the use of this money as designated - to pay wage arrears, because would be the temptation to inject this money into the economy, pay other debts, etc.

At the same time it is obvious that the problem cannot be solved without an active involvement of trade unions. A lot will depend on the public support that they will muster. Human rights activists could also make a contribution. Delays in the payment of wages and salaries can be effectively fought by court action and by campaigns in the press. Human rights activists are experienced in this and could substantially help trade unions, especially the new organizations in the provinces. What is very important, and this imparts special significance to the efforts to eliminate delays in the payment of wages and pensions, the overcoming of this problem will help ensure political stability and social peace in Russian society. Lengthy delays in the payment of wages, as different from other hardships of the transitional period, are capable of detonating a spontaneous social explosion with unpredictable consequences. Mass actions that were prompted by other social problems were of an organized nature so far. But in a number of instances lengthy delays of such payments have already caused thousands of people to discard organized methods of social protest - strikes, talks, picketing, demonstrations - and to resort to spontaneous and almost uncontrollable actions. This happened in Nadym in 1993, in Anzhero-Sudzhensk and Kovrov in 1994, in Bryansk in 1995 and in the Primorskiy Territory in 1996 when thousands of despairing people blocked transport routes and were on the brink of mass violence. It is particularly alarming that spontaneity is beginning to play an increasing role in such actions. In Nadym, Anzhero-Sudzhensk, Kovrov and other places there was spontaneous action only when it became clear that lengthy organized action was leading nowhere. On the other hand, workers of the automobile plant in Bryansk, who were not paid their wages for five months, spontaneously took to the streets and blocked traffic. In the summer of 1996, a peaceful picket organized in the town of Chornogorsk in Khakassia by local miners, who were not paid for several months, within minutes snowballed into a raging crowd that was prevented only with tremendous difficulty from tearing to pieces the head of the city administration and attacking the homes of the rich. Open calls to arms sounded at meetings of coal miners in the Kuzbass region in the autumn of 1956.

It should be remembered that in 1995 and 1996 delays in the payment of wages became ever more frequent also in the army and the militia. The same is true of prison guards and the personnel of atomic power stations. The situation became frightening in the summer of 1996: in July the armed forces got only 4 percent of what they needed to pay their personnel, including civilian employees, and not a single kopeck in August; in July the Interior Ministry got 9 percent of what it was due and only 5 percent in August. The hierarchic organization of these structures and their traditions of discipline and subordination have so far stopped servicemen, militiamen, prison wardens, engineers of atomic power plants from resorting to strikes or spontaneous actions. Protests to date were limited to appeals to the public and hunger strikes. But who can vouch for the future when officers and atomic power plant engineers are unable to feed their families? There have already been reports in the press that in army units, where wages were not paid for a long time, wives of officers tried to block the runways of air bases, that is attempted to do at military installations what coal miners did on railways.
In such conditions actions in support of the elementary economic and civil right to be paid what one has earned, develop into actions in defense of the highest interests of the country. And this right itself, quite a secondary one in normal circumstances, for a certain period of time attains the magnitude of fundamental civil and political human rights.

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POST-SOCIALIST WELFARE STATE AND GENDER: A COMPARATIVE STUDY IN THE BALTIC STATES

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LITHUANIA

Introduction

Finding themselves only at the beginning of a long journey, the three small Baltic states (Lithuania, Latvia and Estonia) represent interesting cases of welfare state and employment development problems. The aim of this study is to examine the interaction of post-socialist welfare state on gender policy model in the Baltic countries. An important purpose of further research is thus to analyze economical and political conditions, which have influenced welfare and through it women labor market participation patterns.

The three Baltic countries share similarities regarding historical backgrounds, economical and political peculiarities. They all had experiences of authoritarian communist rule and have traversed a path of economic development differing from that of the West, which could be characterized either as ‘delayed modernization’ or as state-led uneven industrialization. Broadly similar social trends and macroeconomic constraints can be observed in all three Baltic countries. Lithuania, Latvia and Estonia having separated from the former Soviet Union constitute a fairly homogenous group within which country comparisons are fairly easy. The three Baltic states became independent because the Soviet empire collapsed and the old regime lost control over the three Baltic nations. Today Lithuania, Latvia and Estonia experience essential social, economical and political changes. These changes put dramatic pressures on the public system of social protection.

The new social, economical and political conditions in the Baltic societies required revision of old social policies. After regaining independence the old social security system was destroyed and new social policies were created in a similar way as in developed western European countries. However, during social policies' reform appear some possibilities for retrenchment. It will here be demonstrated that low levels of political mobilization by women coincide with retrenchment in Baltic welfare state policies, particularly in the system of child benefits and child care. Palme and Wennemo defined retrenchment as a decreased role for the welfare state and reform as changes which are intended to deal with the unintended consequences of pre-existing systems (Palme and Wennemo 1998). According to Pierson retrenchment should be seen as a process of shifting social provision in a more

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1 For particularly useful written comments on a larger version of this paper, presented at the ISA RC 19 meeting, Social Changes and Social Policy responses, Prague, 9-12 September 1999, I wish to thank Eero Carrol (SOFI, Stockholm University).
residual direction, not just as a matter of budget cuts (Pierson 1994). The most urgent problem today in the Baltic states is a lack of financial resources to provide welfare state benefits. In this context, governments are pushed to adopt policies that reduce expenditures on welfare. Baltic societies have experience situations where the needs for social provisions have been increasing, while, the possibilities of meeting these have become more limited.

However, not only economical possibilities determined vulnerability of some welfare programs to diminution, but in general a shift to more liberal policies in the three Baltic states.

The slogan that individuals must take more responsibility for their well being was common at the beginning of transformation from a socialist to a market economy. Welfare programs do not exist in a vacuum. Their shape is determined by the complex interplay of such factors as budgetary pressures, the structure of political institutions, and the strength and priorities of interest groups (Pierson 1994, p. 17). The groups most vulnerable to retrenchment appear to be women, retired people and disabled. The pension was devaluated and diminished for retired persons, public childcare facilities and benefits were diminished in considerably for single and lone mothers. Writings on welfare retrenchment stress the importance of organized labor as well as social movements for the support of political status of welfare state. Organized labor has been weakened in the three Baltic states. Retrenchment occurred where supporting interest groups were weak, or where government found ways to prevent the mobilization of these groups’ supporters (Pierson 1994, p. 9). In the course of social policies reform in three Baltic states the child care was reduced, which affected women’s employment and societal participation.

This study covers the period between 1990 and 1996.

Background

It is based on the view that gender is a collective phenomenon, an aspect of social institutions as well as an aspect of personal life, and is therefore internal as well as external to state (Connell 1990, p.409). Therefore author argues that ‘state as an institution is part of a wider social structure of gender relations’ (Connell 1990, p.409). Sociological surveys indicate that state played and still play an important role in shaping gender relations and constructing behaviors patterns between sexes. It is worth recalling just how wide the liberal state’s activity in relation to gender is. This activity includes family policy, population policy, labor force and market management, housing policy, regulation of sexual behavior and expression, provision of child care, mass education, taxation and income redistribution, the creation and use of military force - and that is not the whole of it (Connell 1990, p.531).

Connell (1990) argues that the state is empirically as well as theoretically complex. Actual states include local government, and regional (for example, provincial or state) and national level, and there is even an international level of the state, found in international law and inter-governmental organizations such as the European Economic Community and the United Nations. Drawing boundaries around “the state” is not easy; taxation departments and courts are obviously state institutions, but are medical associations? Welfare agencies? Universities? Unions? The problem is compounded by the fact that the realm of the state as well as the form of the state
changes historically (Connell 1990, p.409). The growing number of working women, the women’s liberation movement, changing family policies together with economic growth and women participation in the politics and decision-making bodies imposed new challenges for state’s in nineteenth century. According to Brown (1992) the social transformation we are currently witnessing is one in which, on the hand, for increasing numbers of women, this dependence is on the state rather than individual men; and, on the other, the state and economy, rather than individual men, are accorded the service work of women (Brown 1992, p. 21). Today the state and economy, rather than husbands, sustain many women at minimal levels when women are engaged in bearing and caring for children (Brown 1992, p. 22). The expansion of welfare provisions for persons are one of the most important factors in development of women’s independence in all highly developed countries. However, what is gender in post-socialist state? Do women follow the same patterns of labor market participation, political mobilization as in the Western societies? In the following discussion three most important issues of post-socialist welfare state and gender will be touched: retrenchment of welfare provisions for childcare; women’s political mobilization; women’s employment patterns.

Data and Method

This paper takes steps to combine qualitative and quantitative data in analysis of welfare state and gender issues in three Baltic states. The quantitative data is derived from the ‘Social changes in Nordic and Baltic countries project 1993’. The expert interviews cited have been conducted in 1996 in all three Baltic states. They are used to interpret the dynamics of welfare state development in Lithuania, Latvia and Estonia. The main purpose of the expert interviews was to get information that was not possible to capture as broadly with other methods (institutional relations, the politics of economy and technology, the state of cultural life, etc). There were 18 interviews conducted in the Baltic states: five interviews in Estonia (in January of 1996), five interviews in Latvia (in February of 1996) and eight interviews in Lithuania (in February of 1996).

The purpose of the comparative nation-wide survey ‘Social changes in Nordic and Baltic countries Project 1993’ was to describe the characteristic features and determinants of social transition. In all three Baltic countries more than 1500 respondents were questioned. The quantitative survey data provide comprehensive background information on the economic, political and social living conditions for individuals in the countries concerned.

Welfare state and gender issues are an embedded phenomenon, rooted in country cultural, economical, political background factors. To study this phenomenon requires a particular approach, which combines both statistical data and broad qualitative analyses of attitudes, values and understandings of gender issues in a given society. The combination of qualitative and quantitative data sets helps to better ascertain the most urgent issues concerning welfare state and gender in three Baltic states.
Gender and Welfare Provisions

As Jane Lewis (1993) notes ‘social policies may make assumptions about what women should do and what they are capable of doing, and may explicitly or implicitly provide incentives to particular kinds of behavior. The extension to which social provision is made by the state, the market, the family or the voluntary sector affect women’s behavior in the labor market and their life opportunities. One of the key aspects of the ongoing social change in the Baltic countries is the restructuration of the institutions responsible for social policy. The following analysis aims to uncover the role of various agents of social policy in some of the most important social services: child and elderly care, housing, recreation and medical care.

People themselves, private companies, the municipal authorities and the state were listed as possible actors within social policy about which interviewer opinions have been assessed. Figure 1 summarizes statistical data on these opinions from the Baltic states. The data shows that in general, people in all three Baltic states assume that the former officially proclaimed basic structure of social policy must be maintained. According to these opinions, the state and local municipalities must bear the responsibilities for medical care, elderly, housing and childcare. Recreation was the only service on this list where people themselves and also private companies are seen as having an important role to play. The state was considered to be the dominant agent in guaranteeing medical care (about 90% in all countries) and care for the elderly (more than 50% in the Baltic states). Municipalities were seen as equally important in providing adequate housing (more than 30% should believed in state provision and about 50% in provision by municipalities). The state was considered less important in providing for child care (20 to 30% support), particularly as compared to envisioned role for medical and old peoples’ care.

“To get women back to the family” was a slogan of transitional period in all three Baltic states. This thinking reflected in some steps taken to reduce public child care facilities, even family benefits. It is equally telling that Gorbachev goes on from the passage just quoted to blame Soviet social difficulties on a breakdown of family life, and to emphasize the question of “what we should do to make it possible for women to return to their purely womanly mission” (Connell 1990, p.513). The state in three Baltic states started to refuse to take any responsibilities for child care provision. In all three Baltic states, women suffer from a lack of adequate child care facilities, losing their social benefits. The transition in the Baltic states we could call a masculine transition. It means that women stay behind from active participation in decision-making bodies in all three Baltic states. This under representation is reflected in social policy arrangements. During the first years of Baltic independence, retrenchment was implemented in child care provisions, and public day care facilities for children were almost abolished. The state has put a strong priority on linking child benefits to the income of the family, meaning that women become more dependent on spousal income and support. In general child benefits are low in the three Baltic states, and women are forced to rely more on their husband or on the market rather than on state provisions. This situation is reflected in the dramatically declining birth rate and increasing rates of divorce in all three Baltic states.
FIGURE 1
Opinion on the Role of Different Agents of Social Policy in Three Baltic States
(in percent)

Lithuania

Latvia

Estonia
Women’s Political Mobilization

Jessop (1990) argues that the state does not exercise power in its own right: its powers (in plural) are activated through the agency of definite political forces in specific conjunctures. It is not the state which acts: it is always specific sets of politicians and state officials located in specific parts of the state system. It is they who activate specific powers and state capacities inscribed in particular institutions and agencies (Jessop 1990, p. 7). In that case the political mobilization of women becomes most important in the exercising of their rights. Some authors found relationships between the relative strength of different political tendencies and gender policy models. Sociological studies of Scandinavian gender policy models (Korpi 1999; Hubert and Stephens 1996; Esping-Andersen 1996) indicate that political parties are important for the formation of gender policy models. The main findings of this research has been that conservative parties support the traditional family type and general schemes of family support, while some of the left parties have gradually come to support the dual earner family model. In Finland, Denmark, Norway and Sweden, however, where left parties have had relatively strong influence potential, we find a dominance for the dual earner policy model (Korpi 1999, p. 23).

If we examine the 1995 elections in Lithuania and Latvia, we found that one or two national conservative parties dominate the political right in each country. However, there are some differences in three Baltic states. The left wing held 20% of parliament seats in Lithuania and only 5% seats in Latvia -- Estonia had no national leftist party in the Parliament. The popular attitudes towards communist parties in all three Baltic states are expressed by one experts in this way: “A part of the Estonian the card-carrying communist declared the continuity of their party, and they are still unpopular. Even more, the very word “social democrat” is unpopular here”[Estonian expert Siim Kallas 1997, p. 7]. The conservative parties, which won elections after regained independence for the Baltic states, support the family breadwinner model and nuclear family values in society. Sociological survey indicates that the three Baltic states are highly paternalistic societies, men predominate in all spheres of social life (Blom 1996).

Pierson (1994) argued that interest groups did not build the welfare state, but that the welfare state contributed mightily to the development of an interest-group society. Esping-Andersen has applied the argument to Sweden and Norway, where universalistic policies produced a more solidaristic interest-group politics (Pierson 1994, p. 47). While women did not make the decisions that reorganized the ways in which they use their time and gain rights to social entitlements in Scandinavia any more than in any other twentieth-century welfare state, their political strength may lend support to Laura Balbo’s (1983a) argument that modern welfare states call forth greater female public participation (Lewis 1994, p.22). In the Baltic states, a lower level of social welfare coincides with the absence of women’s interest-group formation as it happened in Scandinavia. According to Mayer (1998) what decisions are made in social policies, also depends on the strength, strategies and concepts of political actors; politics makes a difference to the shape of welfare institutions. The political actors which strengthen the position of women and defend women rights are weak in three Baltic states. New social movements are still taking shape, new voluntary associations have just started up, and many old traditional
organizations from pre-war period are waking up. In the Baltic countries a
democratic system of associations is still in the making. In all three states, a majority
of those interviewed have no associational membership at all (54% in Estonia, 70%
in Latvia and 67% in Lithuania). The number of those with more than three
association memberships is one to two per cent (Blom 1996, p. 239). All associations
that could be regarded as 'official' during the period of state socialism have declined
very rapidly including the trade unions, new political parties and youth organizations
etc. (Blom 1996, p. 240).

FIGURE 2
Respondents Attitudes Towards Membership in Trade Unions in Three Baltic
States and in Finland

One major reason for the small number of association memberships in the Baltic
countries is that people simply have no confidence in the new institutions. Picture 2
shows respondents' attitudes towards membership in trade unions. In Estonia, only
9% of respondents were of the opinion that it was an honorable duty to be a union
member; 34% thought that it made sense to be a trade union member if the
organization was able to negotiate pay raises, while the rest (57%) saw no point in
union membership. In Latvia about 11% are of the opinion that trade union
membership is a duty. Less than one-third agrees that an increase in wages could be
a reason for union membership. The figures for Lithuania are correspondingly: 59%
said 'It is not worth being a union member these days'. About one-third (31%) say
that it pays to be a member only if the union can push up their wages. 10.2% hold
that it is the duty of every worker or wage earner to be a union member. In sum,
about 60 % of respondents in three Baltic states saw no point in membership, while
in Finland only 16% were of the opinion that it not worth to be a union member. This attitude reflected in union density. After the collapse of the Soviet Union, union membership dropped (between 1988 and 1993) dropped from 34% to 12% in Latvia, from 46 to 17 in Estonia and from 34% to 7% in Lithuania. The most common attitude to trade union membership in the Baltic countries nowadays is that it is not worth being a member. For comparative pure poses, we may note that in Finland one in five said that trade union membership is not worthwhile, whereas in the in the Baltic countries majority of these surveyed hold this view.

As some authors argue the unionization of working-class women became an important key to weaken the male-breadwinner model and to enhancing the rights of women (Connell 1990; Ostner and Lewis 1994). The trade unions are an important key to fighting for higher earnings. These organizations represent rights of working women's as well. Today people have to understand that they have a right to get the real price for their labor. The trade unions must support it. The trade unions are quite inefficient to initiate this. At present women suffer from unemployment, loss of social security benefits such as maternity leaves and child-care facilities. The experts' interviews illustrate this:

"Unemployment is becoming a gender problem. In the first years the gender balance was almost an absolute thing. Now, during the last half year the gender balance has been broken. More than 60 per cent of unemployed were women, especially women with higher education, women from offices, and white-collar women" [Estonian expert Marju Lauristin 1997, p. 16].

Women's mobilization is one salient indicator of change in the status of women (Smelser, 1994, p.323). Only 7% of the deputies in the Seimas in Lithuania were women -- 13% in Estonia and 15% in Latvia (Latvia Human Development Report 1996; Blom, Melin and Nicula 1996). The under-representation of women in positions of authority, especially at high levels of management, is not simply an instance of gender inequality; it is probably also a significant cause of gender inequality (Wright, Baxter and Birkeland 1995, p.407). Minimal representation of women in political bodies weakens women's influence in policymaking. This also means that women attain weak position in the labor market and attain more limited social provisions (Hobson 1997). There were very few women in top decision-making positions in Lithuania, both in the public and in the private sphere. Statistical data demonstrate that women were virtually absent in all governmental or decision-making structures. Only 10 women participated in parliamentary assemblies in Lithuania in 1994. In the government ministries women basically did not participate at all. Among deputy ministers there was only one woman, with the same situation existing among ambassadors.

One of the ways to increase participation of women in decision-making is the quota system. However, there is very strong resistance towards this system. The main argument of the critics is that "...we had this system in the Soviet is, and it neither worked nor changed the status of women"(Blom, Melin and Nicula, 1996, p.151-152). Women's disappointment is reflected in their passive attitudes towards mobilization into social movements and parties. However, we should here remember that citizenship rights are quite limited in all Baltic states -- women's movements could thus hardly be expected to be more active compared to other social organizations. Modern civil society can be shaped only by the support of the whole
structure of social and economic life. In Lithuania, Latvia and Estonia, the institutionalization of the civil sphere is still in progress.

"The attempts to create "hegemonic" structures in many areas are miserable. Also attempts to restore the role of such traditional element of civil society as the church has more or less failed and this in spite of quite massive support from abroad. It is telling about the role of traditions in civil development. History cannot be "turned around." Civil societal policies with hegemonic structures in the modern sense has taken only some rooting" [Estonian expert Rein Ruutsoo 1997, p. 38].

The luck of civil society as well as social democratic movement are an important obstacles in development of welfare provisions. The low political citizenship in particular does not promote

**FIGURE 3**

**Respondents Attitudes Towards Participation in Political Life**

*in percent*

![Graph showing respondents' attitudes towards political participation in Estonia, Latvia, and Lithuania.](image)

the formation of public policies. In Lithuania, Latvia and Estonia more than 80% of citizen did not take part in political life at all (Picture 3). Without full citizens' participation in political life could not be any democracy and we could not talk about any possibility to promote of development institutional welfare state. Because of weak civil society, associations focused on women’s issues are totally excluded from power in the Baltic states.

**Gender and Labor Market Participation**

The gendered division of labor is the most obvious, and frequently documented, feature of the state’s gender regime (Connell 1990, p.523). In the former Soviet Union labor markets were segmented according to gender, and women’s wages were much lower than men’s (see Blom et al. 1991, Blom 1996, p. 234). The situation after regaining independence seems to be less changed. The post-socialist state, with low levels of welfare provision for women, highlighted inequalities in employment in all three Baltic states. Equal opportunity’s legislation provides for formal equality, even more women's looks have more advantage compared to men.
### TABLE 1
**Public and Private Sector Employment Shares by Gender**
(in percent)

<table>
<thead>
<tr>
<th>Sector of employment</th>
<th>Gender</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td></td>
</tr>
<tr>
<td>Lithuania public:</td>
<td>43.0</td>
<td>70.6</td>
<td></td>
</tr>
<tr>
<td>private:</td>
<td>57.0</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>482</td>
<td>448</td>
<td></td>
</tr>
<tr>
<td>Latvia public:</td>
<td>58.0</td>
<td>73.3</td>
<td></td>
</tr>
<tr>
<td>private:</td>
<td>42.0</td>
<td>26.7</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>378</td>
<td>395</td>
<td></td>
</tr>
<tr>
<td>Estonia public:</td>
<td>38.1</td>
<td>60.2</td>
<td></td>
</tr>
<tr>
<td>private:</td>
<td>61.9</td>
<td>39.8</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>502</td>
<td>585</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Social changes in Baltic and Nordic countries, project data 1993.

"The thing is that our laws are very good for women -- there are various benefits for women, especially if a woman has a child or is a single mother. There are norms regulating the employment of women who have children younger than 14 years. So they are in a privileged position compared to men when being employed. They go to work at the workplace ordered by the norms, in the same way as for instance a prisoner who has been released from prison. There is no such thing abroad -- in our country we have such norms, and women have the advantage over men" [Lithuanian expert Rimantas Kairelius 1997, p.164].

However the reality is a bit different from legal norms. When you are employed, certainly the employer pays attention to the fact that you are a woman. Allowance is made for -- your children becoming ill. If you are about to have children, you can go on maternity leave. Allocative and statistical gender discrimination is however much more difficult to control in the private sector and in small enterprises than in public sector. Sometimes employers avoid hiring young women or women with small children. Sex discrimination in the private sector is confirmed by the analysis of quantitative survey data.
TABLE 2
Distribution of the Respondents by Branches of Economy and Gender
(in percent)

<table>
<thead>
<tr>
<th>Branches of economy</th>
<th>Estonia Gender</th>
<th>Latvia Gender</th>
<th>Lithuania Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>Industry</td>
<td>35.8</td>
<td>25.6</td>
<td>31.6</td>
</tr>
<tr>
<td>Extractive</td>
<td>13.0</td>
<td>5.1</td>
<td>17.4</td>
</tr>
<tr>
<td>Traffic</td>
<td>12.1</td>
<td>4.3</td>
<td>15.9</td>
</tr>
<tr>
<td>Trade</td>
<td>10.7</td>
<td>15.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Services</td>
<td>21.9</td>
<td>38.0</td>
<td>25.9</td>
</tr>
<tr>
<td>Administration</td>
<td>6.5</td>
<td>11.9</td>
<td>-</td>
</tr>
<tr>
<td>N</td>
<td>502</td>
<td>583</td>
<td>378</td>
</tr>
</tbody>
</table>

Source: Social changes in Baltic and Nordic countries, project data 1993.

Segregation index for Estonia – 26%, for Latvia – 30%, for Lithuania – 29%.

With regard to the gender of the respondents, the findings indicate that men and women are unevenly represented in the public and private sectors. In Estonia 61% of women and less than two-fifths of men are employed in the public sector. In Latvia over half of both men and women are employed in the public sector. However, a greater share of Latvian men (42%) is employed in private enterprises as compared to women (27%). In Lithuania as well men (61%) is more than that of women (40%) with in private sector. This division seems to be explicable with reference to the real world-hiring situation. It is no secret that private entrepreneurs prefer to avoid recruiting young women with small children. The Expert from Estonia illustrates this situation:

"In the same cases the employers try to avoid signing the labor agreements. They press for example young women to give up their rights. The employers want their employees, for example, to agree with not having social guarantees in case of a pregnancy. Young people do not know that the labor agreement is really a juridical document, and that they have here a situation where they can fight for their rights and insist on guarantees" [Estonian expert Marju Lauristin 1997, p. 13].

In the private sector salaries are higher than in the public sector, so women in the three Baltic often live in worse material condition as compared to those of men.

The analysis of quantitative survey data in 1993 indicates that women in the Baltic states follow the same patterns of labor market participation as women in Western societies.
TABLE 3  
**Satisfaction with Current Economic Situation**  
(*in percent*)

<table>
<thead>
<tr>
<th>Current situation compared with 1988</th>
<th>Estonia M</th>
<th>Estonia F</th>
<th>Latvia M</th>
<th>Latvia F</th>
<th>Lithuania M</th>
<th>Lithuania F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved</td>
<td>20.3</td>
<td>13.2</td>
<td>8.8</td>
<td>7.2</td>
<td>13.4</td>
<td>7.3</td>
</tr>
<tr>
<td>Unchanged</td>
<td>14.0</td>
<td>13.4</td>
<td>11.8</td>
<td>11.8</td>
<td>9.9</td>
<td>9.2</td>
</tr>
<tr>
<td>Become worse</td>
<td>53.2</td>
<td>62.3</td>
<td>70.9</td>
<td>73.5</td>
<td>61.7</td>
<td>71.8</td>
</tr>
<tr>
<td>Don’t know</td>
<td>12.6</td>
<td>11.2</td>
<td>8.5</td>
<td>7.5</td>
<td>15.0</td>
<td>11.7</td>
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<td>N</td>
<td>502</td>
<td>585</td>
<td>378</td>
<td>395</td>
<td>482</td>
<td>448</td>
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*Source:* Social changes in Baltic and Nordic countries, project data 1993.

Connell (1990) men’s employment rates in infrastructural state services (railway, maritime services, power, construction) approach these levels. Women predominate in some categories of human services state employment (elementary school teaching, nursing). Women fill almost all secretarial positions through the administrative structure (Connell 1990, p.523).

The analysis of industrial structure by gender shows that in all three Baltic states women predominate in the service sector, whereas men dominate in industry. In Estonia half of the men are employed in industry and the extractive sector, and one in five in services. The situation in the case of women is rather different: over one-third of them are concentrated in services, while 30% are engaged in the productive sector (Blom, 1996,p. 32). In Latvia nearly one-third of all men are employed in industries, and one-fourth of men are employed in the service sector. Women have the highest representation in the service sector (with almost 50% of women being employed in the service sector). In Lithuania the analysis on the basis of gender reveals substantial differences. One-third of all men are employed in industry. The share of all men employed in industry is greater than industry’s corresponding share of female employment (36% vs. 16%). On the other hand, a greater share of women is employed in service than what holds for men (33% of women vs. 16% of men), with administration jobs also employing a greater share of women that of men (20% vs. 5%).

In addition we can assume that the macro-economic situation has a direct impact upon welfare state programs, also through its impact upon women participation in the labor market. In the Baltic countries the ideology of the socialist state encouraged the employment of women, while at the same time double incomes were made necessary by the relatively low total income of most families. Today in the Baltic states many women are forced to take paid employment because of economical necessity. Quantitative survey data from 1993 indicate the economical necessity of dual earnings in all Baltic states.

The economic transition under way has very much undermined people’s welfare. Table 3 represents statistic about respondents’ satisfaction with the current economic situation. The overall picture is not very bright: less than 20% of all respondents in all Baltic states said that their financial situation had improved compared to 1988. Men reported improvements in their financial situation over the past five years more often than women (in Estonia 20% and 13%, in Lithuania 13% and 7%, in Latvia 9% and 7%, respectively). The situation deteriorated for 53% of men in Estonia, 71% of
men in Latvia and 62% in Lithuania. A larger proportion of women compared to men reported that their situation became worse: 62% of women in Estonia, 74% in Latvia, and 72% in Lithuania. Women in all three Baltic states are more dissatisfied with their living standard than men. Today women in the Baltic states are forced to take paid employment because of economic necessity. However, on the other hand, the low welfare services with low level of benefits (underdeveloped child care system, a strong male -- breadwinner society, low status of part time work) does not facilitate women’s labor force participation and the achievement of a dual breadwinner society. The lack of adequate childcare appears to be major problem for the equal participation of women on the labor market (Palme 1998, p.12).

Discussion

State social provision affects women’s material situation, shapes gender employment inequalities, contributes to the mobilization of women’s interests and possibilities to participate in political life. At other levels, economical conditions and political priorities of a given society also shape gender policies. The general conclusion confirmed in this study is that women in the Baltic states follow the same overall sectoral patterns of labor market participation as in Western societies. However, today women in all the Baltic states are forced to take paid employment mainly because of economic necessity. Nevertheless, low levels of welfare services with low levels of benefits and institutional opportunity (underdeveloped child care system, a strong male -- breadwinner society, low status of part time work) does not facilitate women’s labor force participation and the achievement of a dual breadwinner society. The lack of adequate childcare facilities appears to be significant problem for the equal participation of women both on the labor market and in other spheres of social life. The post-socialist welfare state in all three Baltic states, with weak union density and liberal economic policies, neither promotes gender equality, nor facilitates woman’s employment during all of her life time. Evidently in the Baltic states the attitudes towards gender equality are distinct from those in Western countries, not least because of the lower level of welfare state and citizenship development.

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ENTERPRISES AND RURAL COMMUNITY IN ESTONIA:
A BASIS FOR FUTURE DEVELOPMENT?

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Introduction

To define the social position and the role of entrepreneurs and farmers as members of the middle class(es) has been one of the topics, that sociologists have debated over decades. The traditional marxist position has been, that they represent a kind of temporary or transitory stratum, that will disappear along with the monopolization and concentration of productive capital. The second stand-point is that entrepreneurs or entrepreneurial middle class is a 'part-and-parcel of the emerging service society' (Scase and Goffee 1982, 5) and thirdly that they stand outside the contemporary class structure, dominated by the proletariat and bourgeoisie (Bechofer and Elliot).

The rebirth of private entrepreneurship has given a new boost to this debate. The existence of strong middle class(es) has been seen as a precondition of the modern society. Middle class(es) is seen politically, socially and economically necessary: in all fields it represents stability and continuity. Politically it would support reforms and moderate political struggles. Economically it is promoting the growth of private sector by establishing small enterprises in agriculture, trade and services. It also should give boost to economic growth, due to their (supposed) life style and consumption patterns. Socially the middle classes are thought to play even more important role by providing a basis for development of civil society through various vocational and interest organizations.

Much of the hopes of the development of solid middle class has been placed on the privatization and following evolvement of class private entrepreneurs and farmers. And indeed, one of the most visible results of the transformation in post-socialist societies has been the rapid increase of private, small enterprises, for example in Estonia the number of private entrepreneurs grew from 700 to 3500 between years 1991 and 1997. (Aho, Piliste and Teder 1998,20). The "profiles" of new entrepreneurs are very similar in many surveys done in different countries; most of the new entrepreneurs are young, well-educated males, who have started their businesses by using their own savings.

The principal reasons for starting a business has for most of them been a wish to become independent and increase their own and their family's' well-being. Most usually the enterprise is small, employing less than 5 persons and it provides enough incomes for family to cope. The greatest problems that new entrepreneurs face are unclear or deficient legislation, insufficient finances and outdated technology.(Nikula 1995, Aho & al. 1998, Viteckova 1992). The belief of the
formation of entrepreneurial middle class has been sustained by the results, which show that:

1. entrepreneurs support more than other groups those values that are seen as integral part of "enterprising spirit"; hard work, education, willingness to take risk, etc.
2. entrepreneurs are more satisfied to their own situation and more confident about the future than other social groups. (Nikula 1995, Kivinen 1998).

The expectations have been high in the early days of transition - in manifold surveys it has been proved that most of the people are willing to start a private business - they have also supported the privatization of state-owned property, except social services and other socially important production, like energy. Also the governments of post-socialist countries have supported the rebirth of private entrepreneurship, at least at principal level. There are many possible reasons for this; psychological (freeing people from learned helplessness and state dependency), moral, (the change in the work ethics and boosting people's responsibility over their own fate) and economic (relieving state's economic burden). For example Brzezsinski and Fritsch (1995,4-5) argue that "Small and new enterprises perform an important political task in creating a pluralistic society. The existence of independent entrepreneurs reflects the personal freedom granted to individuals and decentralization of economic power. Individuals may change from dependent into independent persons exercising power and shaping a democratic society and economy. Thus, small enterprises contribute to and safeguard the very existence of modern democratic society."

1. Brzezsinski and Fritsch note three additional functions for private, small enterprises: 1.small enterprises maintain competition and decrease market risks, which the monopolistic position of large enterprises cause.
2. 2 that small enterprises have a structural function in that they help to increase the general flexibility in economy, especially through innovations and adjustments.
3. small enterprises alleviate the unemployment by offering jobs for those who are ousted from the state sector as result of privatization or insolvency.

In general the employment policy that relies on private enterprises is not very viable or efficient. Markets are becoming saturated and the competition is becoming constantly more fierce and this means that it is more difficult to start a private business - it requires more capital and very good business idea. The existing firms can employ only a fraction of those, who face the risk of unemployment. Many entrepreneurs in fact are 'part-time entrepreneurs', who earn a part of their living as wage workers.

Recent research has pointed out that in most countries agricultural reforms have failed and only a handful of successful farmers have been born in each country, while the great majority of population has remained either wage workers or plot-farmers. (Alanen 1996) In the case of enterprises the results have been somewhat better, but also here many of the enterprises are just portfolio enterprises and most of the active enterprises are economically rather unimportant. Some researchers have noted the "too many, too small" syndrome among enterprises, which causes the danger of hampering economic reforms and development of dualization of economy. (Gabor, 1997, Stark 1997, Luihto 1998, Nikula 1996). Many researchers also expected that second economy would be an important platform for development of new private entrepreneurship, but as Stark notes: "the second economy has not
become a dynamic, legitimate private sector; although the number of registered
private ventures has sky-rocketed, many are ‘dummy firms’, tax evasion is
pervasive and many entrepreneurs still engage in private ventures only as a second
job.....These tendencies have prompted...to label transition as one from second
economy to informal economy.” (Stark 1997,39).
In this paper I will shortly analyze the ways in which small private enterprises have
been established in one rural community in southern Estonia and what have been the
factors that have supported the development of an enterprise and which have caused
their failures. In the end of the paper I shall evaluate the role that these enterprises
have for the well-being of the community and what perspectives they have in future.
The “data” of the paper is based on interviews that I have conducted with
entrepreneurs in Kanepi during latter part of year 1995.

What are the Entrepreneurs Made of?

There are a number of typologies of new small entrepreneurs, for example according
to Chepurenko and Vilensky (1996) in Russia there has been at least four waves of
entrepreneurs, all of which have different backgrounds.
The first wave consisted mainly persons who operated in cooperatives, following
The second group consisted previous managers of state-owned companies, who
utilized the knowledge and networks that they obtained and created their position.
The third wave of entrepreneurs included former managers of private firms in
construction, transport and retail sale. Chepurenko and Vilensky maintain that these
persons are an example of the way how informal activity is being transformed into
official entrepreneurship - the managers (and workers) used the resources of their
workplace during their spare time.
The fourth wave is consisted of divergent layers of society, among them there are
specialists, craft workers, artists, etc. who have worked in services. Characteristic
for these entrepreneurs is that they have a higher academic degree. So their capital is
not financial or political networks, but skills
and education. Benacek (1997) classifies entrepreneurs in two separate categories,
those who have a “nomenclature past” and those who do not have. The former
group is in better position in that they have kept their networks, which helps them in
finding markets and financial resources. They are also more stable group, although
their mode of action is relatively inflexible and not very innovative. Those without
“nomenclature past” are more flexible, but more on their own. Finally Aho, Pliste
and Teder (1998) have classified Estonian entrepreneurs in nine (9) different
groups: 1. enterprising person,
2. professionals,
3. realization of an idea,
4. entrepreneur thanks to privatization,
5. entrepreneur borne from international influence,
6. forced to business in a desperate situation,
7. starting a business after a conflict,
8. entrepreneurs from the soviet period,
9. a hobby turned into a business.
Majority of the entrepreneurs that they studied were in first two groups, which in practice are the same as Gabor's two groups. The enterprising person is an entrepreneur, who makes swift moves from one activity to another, trying to find a niche in market from which good profits could be obtained. Professional on the other hand, is a person who has transformed his/her skills in wage labor into private business.

The Entrepreneurs in Kanepi

From local nomenclature into an entrepreneur

As many researchers on private entrepreneurship have maintained, to start a own firm requires except money, also some sorts of cultural or social capital. In this context these terms refer both to acquired and inherited educational and 'socialization' capital, things that one learns at school and things that are taught to a person at home. Except cultural capital, manners, ways of speech, artistic-, literature-, cinema-, musical, etc. tastes, it also means personal relations, acquired during one's occupational or educational career or relations that one in a sense inherits through one's parents or relatives. Together these forms of cultural and social capital create a set of means by which it is much easier to succeed in business, for example. This aspect of social and cultural capital has been very important also in socialist society, where a system of social networks was a precondition for many things, education, work place, monetary and other forms of reward and career.(Srubar 1991.)

The successful entrepreneurs in Kanepi are those, who own the largest firms and their success has been built either on their former managerial position in the collective farm or extensive social networks. One of them used to be a chairman of the collective farm, another a director of construction department, third a director of energetics department at the collective farm. Fourth of them did not posses any formal position in the collective farm, but he had a possibility to earn money abroad already during 1980's. Common for all of them is a relatively high education (university) and large networks, which could help them financially in the establishment of private business and provide crucial economic information. Also common for most of them has been a rather coarse action before, during and also after the decollectivization. This included "honest robbery" of collective property and speculation with values of privatization coupons, among others. The honest robbery took place through "individual privatization" of machines by manipulating book keeping, speculation with the nominal value of the privatization coupons during the auction and buying coupons before auction from those who had no chance to understand the real value of the coupons, drunkards, pensioners and simple workers. As one of the villagers said: the drunkards sold all their shares for 30-40 cents to most aggressive privatizers, even before auction... The buyers were mostly young businessmen, children of the collective farm. Some of them had been working in Germany, some had pubs, but all of them were enterprising."

Honest robbery started as soon as it became evident what the fate of the collective farm will be; as one of the businessmen stated: "After the last meeting of the collective farm people started to go crazy, some ones had already transferred
kolkhoze's assets somewhere, I was also accused about that, but at that time I had not taken anything, but then later others took and also I did not remain bystander." Almost all the businessmen had made strategic plans for their enterprise, what field of operation they would take, how would they finance it, etc. All of them where aware of the fact that it would be waste of money to invest their money in agriculture, because the backwardness of soviet type of agriculture compared with western in terms of technology, financial resources and training. Perhaps also the fact that agriculture does not give quick profits, unlike trade and services, had a role to play in their decisions.

*From second to informal economy*

In post-socialist societies the birth of many enterprises has been tied closely to existence of the "gray economic area", the informal economy. The informal economy(or second economy) existed during socialist period, when it was a means of coping and a basis for certain forms of social capital, which could be converted or exchanged into another materializations of social capital, services or goods. (Sik 1995)

In post-socialist context the undeveloped legislation and deficient "civilizational competence" (Sztompka 1993, 1996) creates ample ground for existence of informal economy, even though its rationale of existence differs from socialist second economy. In post-socialist society the second economy is an area for "original accumulation" to take place, which guarantees the survival of an enterprise and makes its transformation into "normal capitalistic" enterprise possible in economic terms. One can also argue, that the "informal area", both in social and economic sense of the term, is an area, where interests are defined and promoted.

In our study we found a number of forms of informal economy, that were closely coupled to enterprise activities. One example of that was a young businessman, who started his business career by smuggling valuable metals from Russia to Estonia. After that activity no longer was possible, he switched into mediation of used cars and after that branch was conquered by larger enterprises, he switched into trading of antiques. Also his success was largely dependent on extensive social networks with similar businessmen, that provided him with information and financial resources. Depending on skills and accumulated resources the entrepreneurs becomes either gradually marginalized or moves to formal economy as an "ordinary, honored businessman".

In the case of this particular man, his option was the latter one - after accumulating enough capital he planned to move to near by town and start a "respectable firm as a business consultant or something like that, where you don't have to do physical work."

A variation of the theme is a firm that formally operates as a normal firm in forestry, but which actually operates in gray zone, practicing timber theft. This activity is nowadays most profitable and wide spread activity among south-Estonia. It has replaced the smuggling of precious metals as a source of lucrative incomes. There are many ways to do forest robbery, buying from one self, using accomplices in selling and buying again paper wood for a price of fire wood. Most common way is to use one license for many forests, to rob forestry in state-owned lands. As one of the entrepreneurs told: "...take five logs there and five from here and so on,
something like 10 cubic meters and only best trees. Trees to be cut are selected during daylight and cut during the night. Everything takes place quickly and in
darkness." The reason for forest theft is a aspiration to avoid taxation, since "if this
business was done honestly, you would never be rich".
Entrepreneurs avoid taxes by paying double wages, formally low, but informally at
least normal rates. Most of the entrepreneurs claimed that they pay low wages,
"since Kanepi is not Tallinn and living costs are lower than in cities." But as other
interviewees told "there is a practice of brown envelopes, it is ridiculous to claim
that they (employees) are paid only 300 crowns a month, and that somebody would
be so naive to believe it." Another strategy to avoid taxation is to have a firm that
operates on a basis of license - a one-man venture. Then you are not obliged to have
book-keeping, accountant and other official necessities. Finally, perhaps one of the
most important keys to success are personal traits and capabilities of an entrepreneur
- to be able to manage and make quick, but resolute decisions. In our study the
entrepreneurs who fulfilled these criterias, where those, who carefully followed the
developments in economy and politics and switched from one area of business to
another - from farming to forestry, from forestry to trade, etc. As one official from
municipality noted: " There are no laws that good businessmen could not bypass,
entrepreneurs are always one step ahead of legislators."

*Old habits are hard to die*

In soviet type societies there existed a special kind of work organization, which
stemmed from structural necessities of shortage economy and which had many
mutually contradictory features: a)formally non-existent workers' power resources,
b) permeation of negotiation and bargaining over terms of work between
supervisors and workers, workers and managers, c) relations of mutual dependency
between management and employees. All these features are condensed in the
concept of work collective, which is characterized by strong paternalism. (Clarke &
al. 1993, Crowley 1994) Paternalism is manifested in the extent to which various
forms of asocial behavior (drunkenness, absence, floppy work, etc.) is tolerated and
to extent to which workers identify with their workplace. These features and
practices continue to live also during post-socialism, the shortage of materials is
now replaced by shortages of money, diligent labor and housing, at least in rural
areas.
Entrepreneurs in our study encountered these problems in the form of absenteeism,
drunkenness, refusal to work, quitting, etc. Some of the entrepreneurs tried to cope
with their workers by doing their work in addition to their own, some tried to get rid
of "problem workers", without any success. These efforts demonstrated very
convincingly how a person without necessary skills and social capital faces a
complete defeat when trying to overcome labor problems. As one manager of a
large infrastructure enterprise told: "It was very difficult for me to talk with people,
many of them had worked together with me and automatically they changed their
attitude towards me, they started to work in another way, even against me. We have
problems with local workers.. when we needed them, they refused and said small
hunger is better than hard work" Manager himself sees the attitude as a result of
"collective-farm mentality, if you worked hard, your salary remained small, but if
you simply loafed, you could get even more."
Also in another firm similar occasions took place, when a former brigadier of a agricultural firm bought the firm in auction and became a manager, "there bursted a panic and confusion, some of them were very disappointed... that all was so depressing, very often I think, why it had to go like this, why the collective farm had to disintegrate?"

Workers tended to maintain their "acquired rights" in terms of work hours and -
habits:" for example there was a worker, who left her work, when the berry picking season began and she came back only after it was over. During that time I had to do all the work by myself." (Agricultural firm) "They have a habit, which once they start drinking they drink many days in a row. Nothing helps, not threats, not wages, nothing at all. If you wanted to have something, you had to bring a bottle and now it is the same, sometimes the doors of the firm are locked and workers are drinking in the bar." (Wood processing firm)

Incompetent management produces also other kind of problems, indifference and plain criminality, which in the end means bankruptcies and unemployment; as a manager of an agricultural firm told: "...people started to steal massively, even the wires of machines were cut off and all kinds of things." With the burgeoning economic problems and indifference the production declined and manager himself became completely disillusioned: "He was not interested in anything at all.. he started to drink, in the morning you could talk with him, but by the evening he was completely drunk. He lost his hope."(former worker) "I cannot sleep well at night and when I get up in the morning and go to my firm thinking what else has been stolen...I wish I never had...(started this)" (former entrepreneur) Richard Ruzicka traces these feature back to socialism, which, according to him, "resulted in a personal strategy of consumption, which misused the so-called 'common productive wealth' (working time, tools, etc)... Egalitarianism that existed for decades contributed to the cultivation of envy and hostility."(Ruzicka 1996,220)

The Future of Rural Enterprises

In the final analysis, the future of enterprises is largely dependent on consumers' wallets and that in turn is dependent on future prospects of agriculture. In both respects the future of enterprises in Kanepi is not very promising. As a municipality it belongs to least developed municipalities in Estonia - the share of working age people is lower and share of elderly people is higher than national averages. Income level of the population is very low and even if the unemployment rate is officially low, it does not mean that there is no hidden unemployment or significant underemployment.

With declining prospects for agriculture and employment, there is an exodus of younger generation, which will have a great impact on the future of enterprises. They are not able to hire new workers to replace older workers or those who are not considered to be appropriate for them: "Personally for me the greatest problem is working staff. I am constantly thinking what will happen when I feel one day that I am not able to work anymore" (shop keeper).

"We have a couple of men whom they want to get rid off, but they cannot be sent away, as there is nobody to replace them. (skilled worker in wood processing firm)

In this situation some of the firms pin their hopes in larger firms or mergers, but for the majority of firms there prevails an atmosphere of transience - just keeping
hanging on. That can be seen in that these firms have not done any major investments since the privatization and those investments that they did then, turn futile. And then the cream that was born during the decollectivization of the collective farm, the properties that were to serve as a basis for future success and stair to upward social mobility, turn bitter.

The stories of entrepreneurs in Kanepi show in which way and in which extent the sphere of opportunities was exploited and what role various factors played in the success or failure in benefiting from transition. A leading position - organizational capital - is without doubt a very important factor for successful entrepreneurship because it provides financial resources and knowledge. The organizational capital provides businessmen-to-be with such sources of information, which makes it possible to take advantage of such things as time - as old saying phrases it, early birds get the worms. Those who could 'read' the signs of time in late 1980-ies and early 1990-ies could obtain financial and production capital in very generous terms - the ruble era really was the golden era.

As many surveys and studies have proved, the top management is not necessarily those, who will become private entrepreneurs, but more likely the lower managers with certain specialty. Of course the organizational capital as such is not a decisive factor, but the personal traits and capabilities are crucial.

On the basis of the stories it can be argued that if one wishes to succeed, you have to be resolute, even to the extent of being rude. The possibilities of an ordinary worker, without necessary social networks and skills to setup a profitable firm are much more limited or at least it requires much more work and skills.

The stories demonstrated the importance of social networks in establishing and maintaining a firm - while in the surface many firms a one-(wo)man ventures, there is in fact rather an extensive network of people, who participate and contribute in the institution and operation of the firm. Thirdly the stories demonstrated the role that the informal economy plays in the evolution of entrepreneurship in the transition. In general the boundary between formal and informal economy, legal and illegal business is more or less vague in transformation, due to the deficit legislation. That means that in order to be successful in business you must know the legislation and also to know how to avoid it without committing explicit crime. Anyhow, you can fool all state officials some times and some officials all the time, but you can't fool all of them all the time if you wish to become a prosperous businessperson.

Roberts (1998) argues that only those owners of micro enterprises, that have a good education and who are ready to use bribes and personal connections to promote business’s development have any chance to transform themselves into 'normal’ businessmen. But as entrepreneurs themselves have noted, connections and “habits of the past” are not the key to entrepreneurial success, but adoption of two most important 'normal, western and protestant' values - hard work and education. Notable are also two additional factors of success - risk consciousness or willingness to take risk. These values are part of the enterprise culture, which is an crucial element of the cultural competence, that Sztoompka (1993,90) sees as necessary precondition for genuine modernization of post-socialist societies. As Sztoompka notes:” Some of its components include innovative push, achievement orientation, individualistic competition, rational calculation and the like.”

Entrepreneurs maintained, as noted in previous sections, that inadequate legislation and deficient support from government, together with financial problems are the
greatest obstacles for development. One could take these as an indication of the need to develop beneficial "external" preconditions for business development - institutions for training, support, etc, together with business legislation. But all these are not immediate remedies, but ingredients for making a future. As Sztompka (1996, 127-128) notes: "We should abandon the illusions of simple solutions, eg. the belief that legislative reforms from above are enough to change an entire social life. And therefore we may indulge in the long-range optimism, that the consolidation of political and economic institutions with the requisite cultural foundations is the feasible even though distant prospect."
So, to expect to have healthy enterprises, it is not enough to have a healthy economy or compatible legislation. In addition there must be a full unequivocal "capitalist culture", with its institutions, norms and practices. The maturation of a society in this stage takes a lot more than a decade.

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ENTREPRENEURS AND INTELLIGENTSIA IN TRANSFORMING LITHUANIAN SOCIETY

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Introduction

One of main features of contemporary Lithuanian society is essential changes in social stratification. The restitution of democratic laws and private property impact the great fluctuation of social positions in social structure: some members of society occupy more significant positions, whereas other members, vice versa, lose their positions or their positions become less significant. The main incitement for the restructuring of old social strata and formation of new one was the reconstruction process of the economy in Lithuania. This process started rapidly after the restitution of independence in 1990, when the restitution of private property and privatization of state-owned assets had begun.

This study is mainly focused on two phenomena: the emergence of new social strata of entrepreneurs and restructuring of intelligentsia. These cases are the most evident and fruitful phenomena of changes: both of these social strata are the most active and mobile actors in society and potential groups to form the middle class. In addition, the investigation of such social phenomena can help in understanding possibility of social changes, their causes and effects, the economic and political impact on the social structure of society.

Only the new political and economic circumstances, which occurred in the process of transformation of centralized economy into market one, created the basis for restitution of entrepreneurship. This sphere of economical activity was forbidden in the socialist regime, however, the first signs of the private entrepreneurship appeared already during 1987-1988, then Gorbachev's perestroika made it possible to create small semi private firms (cooperatives) in the sphere of trade, small production or services, mostly. The "early birds" of the market economy were thousands of private "entrepreneurs", who included mainly sellers of everything possible - from cigarettes to valuable metals (Nikula, 1995a, 39). After five years the situation had changed: the privatization process opened the door for successful investments and for larger business.

Alongside with all changes, the restructuring of intelligentsia had also began. During the communist regime intelligentsia was as the third social strata with it's great prestige and comparatively low earnings. After the collapse of this regime, the social strata of intelligentsia faced the big transformations: part of it lost prestige and became more close to the strata of professionals, while other part succeeded in adaptation to new conditions by the accepting of the new values and knowing of the accomplished rules. In accordance to these circumstances, some representatives of
former intelligentsia entered the social strata of politicians, some became entrepreneurs, some went to abroad, some preferred to stay in their previous work as scientists, professors of universities, consultants of governments, etc., that is more close to the western intellectuals than to the previous intelligentsia. It is important to analyze what main features distinguish these new strata from others, what kind of people is more likely to become an entrepreneur or what changes appeared in the identity of intelligentsia. Therefore I use basically P. Bourdieu's theory on exchange of capitals, where the social positions of respondents are analyzed by the combination of different social power resources: economical, cultural, social and symbolic capitals. These indicators can be regarded not only as a form of automatic or passive structural qualities as in the status attainment model, where the sociological investigations based on the quantitative methodology the corresponding indicators would be first of all those measuring respondents' position in the spheres of work, education, and income. Bourdieu's point of view makes it possible to look at how these power resources are actively utilized and transformed by individuals and to speak about the mobility between different capital assets that Bourdieu analyses in terms of capital conversion (Leiulfsrud, Sohlberg, 1995). The analysis is based mainly on the quantitative survey data of international project "Social Changes in Baltic and Nordic Countries" conducted in 1993 and on the qualitative data from in-depth family interviews carried out in 1995.

Theoretical Framework

During all radical changes in politics and economics Lithuanian society became "unstructured or rudimentarily structured", thus it experienced the period of "liminality"¹, i.e. a period when the old social structure was destroyed, but a new one not yet formed: almost all social strata are "in between socially sanctioned roles" (Rothenbuhler, 1992, 68). Boundaries between new social strata are very fluid, the level of vertical social mobility is very high: people can achieve and loose their social positions very quickly. How can these social positions can be defined? The most influential sociological perspective of investigations of social stratification is based on Duncan "social status attainment" paradigm, the purpose of which was to create more systematic approach of determinants of the social position of individuals (Wesolowski, 1978, 8). According to this paradigm, individuals are stratified by their social status in society, which can be measured by the socioeconomic index mainly based on the individual's occupation status (which, according to Treiman, constitutes the core of social stratification in an industrial society), level of education and income. As Duncan pointed out, the strong consistency exists between these dimensions: on the one hand, occupational status strongly depends on educational achievements and on other - both education and occupation affect monetary reward (Domanski, 1995, 336). Besides, the social status of individual is determined, on one side, by the inherited status from family and, on other side, by the personal status achievement, which is more important in modern societies for socio-economic success. Despite the crucial impact of this theory on investigations of social stratification, it was criticized even from representatives of "attainment school"

¹ Concept introduced by Turner (Turner, 1977, 96).
Streaming Towards Social Stability

(e.g. W.H. Sewell, R. M. Huser and D. L. Feartherman) who insist on the including of more indicators in construction of the model because of their (e.g. ethnic background, race, family conditions, etc.) evident influence on status attainment. The critic of other sociologist was more essential and deals with the lack of attention in this theory towards context of status attainment process (Sorensen, 1978), changes of social structure (Chaarvat, 1978), and macro-societal conditions (e.g. modifications of economy and social policy of state) impact on social status (Goldthorpe, 1992). Thus, this theoretical perspective seems to be limited especially in the context of radical changes that has happened in all post-socialist countries, because it can hardly explain the mechanism of rapid changes of social stratification: the destruction of almost all social strata and emergence of new one. The alternative model of systematic analysis of social stratification can be found in Bourdieu’s capital exchange theory based on flexible power resources, which include alongside with economical resources also cultural, social and symbolic dimensions of social positions. Although Bourdieu also operates with more or less stable contexts where any changes that happen take place within distinct social strata but not in the whole society, his theory can be useful adapted for the analysis of social changes. As Lash argues, even if the main focus of Bourdieu is on reproduction rather than on social change, Bourdieu’s theory (by reworking his notions) can be also fruitful in the context of the study of social change because it could provide basis for a new sort of collectivity and identity (Lash, 1993, 209). Leilufsrud and Sohlberg also state that critical use of the theoretical concepts (e.g. of various kinds of capital) and especially capital exchange perspective can provide useful tool for the investigation of transformation of social structure (Leilufsrud and Sohlberg, 1994, 11).

In the analysis of social stratification, Bourdieu concentrates his attention on “social fields”, which are smaller units of “social space”. Thus he replaces the notion of “society” by “social fields” and “social space”, because for him, “a differentiated society is not a seamless totality integrated by systemic functions, a common culture, cross-crossing conflicts, or an overarching authority, but an ensemble of relatively autonomous spheres (Bourdieu, Wacquant, 1992, 16). “Social space” for him is a “space of [power] relations” that are current in different fields (Bourdieu, 1991, 232). Here he transforms Weber’s thesis about the distribution of power\(^2\) in community between “classes”, “status groups”, and “parties” by arguing that power resources are distributed between different social fields. Such a replacing of concepts was inspired by the criticism of “classes on paper”. As Bourdieu argues, “classes” are “sets of agents who occupy similar positions and who […] have every chance of having similar dispositions and interests, and thus of producing similar practices and adopting similar stances” (Bourdieu, 1991, 231). Meanwhile Bourdieu stresses that such classes do not exist as real groups as in Marx theory, because within them the hierarchy and struggle for limited power resources also takes place. Thus these classes are only theoretical constructs, which can be carved out of the

\(^2\) Weber understand by “power” the chance of the man or number of men to realise their own will in a communal action even against the resistance of others who are participating in the action (Weber, 1978, 181).
social space (e.g., for purpose of statistical analysis), but they are not adequate to reality (Bourdieu, 1991, 232). According to Bourdieu’s definition, “social field” is “a network or a configuration of objective power relations imposed on all those who enter this field, relations that are not reducible to the intentions of individual agents or even direct interactions between agents” (Bourdieu, 1991, 230). Bourdieu’s social fields are more fluid than most existing sectorisations: both the agents and the resources may vary, for example, within the dominant class (which has more total capital than the popular classes), the bourgeoisie has a higher admixture of economical capital, the intellectuals - of cultural capital (Bourdieu, 1994, 152). At the same time the field is systematically construed in that it includes the relations between different social positions and some sort of value hierarchy, and also a struggle for limited power resources (Leiulfssrud, Sohlberg, 1994, 12). Any field, Bourdieu insists, “presents itself as a structure of probabilities - of rewards, gains, profits, or sanctions (Bourdieu, Wacquant, 1992, 18). These social fields are not stable: they unfold and develop with changes in power relations and the exchange of capital, also new social fields may grow up while others disappear.

Power relations in the social field are characterized by specific forms of capital. At first glance Bourdieu’s definition of capital does not seem very original; it refers in very general terms to assets and resources. More important is that “the use of the word “capital” to describe the stakes in social fields alerts us to Bourdieu’s appropriation of economical metaphor to understand social life” (Jenkins, 1992, 86). Bourdieu’s notion of capital, which is neither Marxian nor formal economic, entails the capacity to exercise control over one’s own future and that of others (Calhoun, 1993, 4). This notion of capital also serves to theoretically mediate individual and society. On one level, society is structured by the differential distribution of capital. On the other level, individuals strive to maximize their capital. Here is also a measure of mobility between different capital assets that Bourdieu analyses in terms of capital conversion, implying that an individual or group of individuals exchange a certain capital asset for some other asset. A typical example is provided by the conversion of economical capital into educational capital, with money invested in sending children to a school with a good reputation. From the other side, the social mobility of individuals is understood as phenomenon where individuals successfully convert their capital assets or fail to do so and fall in the social space. The position of social agents in social space is determined by “the volume of capital, composition of capital [in other words, according to the relative weight of the different kinds of capital in the total set of their assets], and changes in these two properties over time” (Bourdieu, 1994, 114). Through the prism of this theory, social changes in the social structure can be explained by the redistribution of different kinds of capital, such as economical, cultural, symbolic and social capital.

Economic capital like property and income is one of the most significant factors in any theory of social stratification. Bourdieu does also attempt to account for why

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3 e.g., in the class of industrialists can be included all those employing more than five people (Bourdieu, 1994, 508).
4 According to Bourdieu, the static fields (apparatuses) are a pathological state of fields, but it is a limit that is never actually reached, even under the most repressive “totalitarian” regimes (Bourdieu, 1991, 102).
economic, and no longer symbolic capital, is the dominant principle in modern societies. This is so, he suggests, because in comparison with symbolic capital, for example, economic capital easy to "transmit" and to "objectify". In fact, he concludes, "the particular 'power' of economic capital could be because it permits an economy of economic calculation... that is, of rational management, of transmission and labor, that is, in other terms, easier to manage rationally, to calculate and to predict" (Lash, 1993, 201). However, Bourdieu argues strongly against economic determinism in suggesting that other than economic resources may also be of crucial importance to understanding patterns of social stratification in society. Thus, for the deeper elaboration of this kind of capital here it will be employed the theoretic conceptualization of economic resources of E. O. Wright. Despite his focus on the different forms of exploitation, his understanding of economical resources can serve as useful tool for examination of economical capital. In this perspective economic capital consists of ownership (economic assets), decision-making and autonomy (Wright, 1985). Ownership includes ownership of all kinds of physical capital (machines, technology, etc.) and the right to make decisions concerning investments (what is produced, budget, size of labor force, etc.). Decision-making includes different forms of authority of a nominal, task and sanctioning character. However, the issue here concerns not only the division and structure of decision-making, the question of direct or more indirect connections between authority power and, for instance, wage forms is of special interest. Autonomy, according to Leulfsrud and Sohberg, is at once one of the most fruitful and one of the most problematic forms of economic capital in Wright’s analysis. It is fruitful in so far as the criterion allows us to make the distinction between subordinated jobs and those requiring initiative and independent control. It is problematic in so far as it is viewed as something that people possess to a greater or lesser extent, besides, there is little said about different forms of autonomy (e.g. differences between craftsman’s autonomy and professional autonomy) (Leulfsrud, Sohberg, 1994, 26). In such way the analysis of economical capital allow not only to elaborate the possessed economic assets but also to capture elements of informal power and systematically to analyze the role and impact of different power dispositions.

Other kind of capital in Bourdieu’s capital exchange theory is cultural capital. Although cultural capital primarily is associated with education and in terms of life-chances on labor markets, Bourdieu argued that it means not only a classical education but also language use, manners, artistic tastes, etc. (Bourdieu, 1991, 230). Other dimensions like cultural consumption (or participation) and leisure time activities are also part of this capital. Thus it can be said that “theoretical roots of cultural capital theory go back to Weber studies on social groups of similar cultural consumption and life style” (Robert, 1991, 145). On other side, not only attempts of individual are important but also the family (its life style, education of parents) and social environment influence the accumulation of cultural capital. Thus, it is possible to formulate a concept of cultural reproduction as intergenerational transmission of social inequalities. According to Bourdieu, the most important field of this process is the schooling system that does not decrease social differences among those coming from families of a different social background and cultural level but serves to reproduce or even more to legitimate these inequalities (Bourdieu, 1990, 67). Students with special abilities, skills and knowledge,
appropriate behavior and style provided and learnt in parental family are more successful in school and in the whole educational selection system. Also Coleman reports that “a major source of [educational] inequality of opportunity lies not in the distribution of either material or social school resources by race, but in the lack of intensity of the schooling experience. Because out-of-school resources and environment [children bring extensive inequalities with them from their family environments] are highly unequal, while school resources are much more alike” (Coleman, 1990, 67). However, other empirical attempts to prove this theory were not successful, for instance, De Graff (1986) and Mateju (1989) concluded that the role of cultural capital inherited from family “is not negligible but it is far from being the key explanatory principle of educational inequality” and that economic resources seem to be much more responsible for this (Mateju, 1989, 16). Robert also pointed out, that it can be supposed that to climb ever up an economic ladder, material resources, financial capital, can be of more importance. But for a successful career in academic fields, cultural capital can be more useful and necessary. However, the real question is how cultural capital can be used for economic goals, to what degree cultural capital is necessary for an economic success. Conversely, how can material resources be used for climbing up on the cultural hierarchy, to what degree financial capital is necessary for successful achievement in fields primarily influenced by cultural differences (Robert, 1991, 146).

Social capital is also deeply interrelated with economic and cultural capitals. Although Bourdieu broadly uses this term, the best analysis of social capital is presented in the works of Putman and Coleman who first emphasized the role of shared norms and trust (as forms of social capital) in social networks (Coleman, 1990a, 300). Social capital exist within the family, but also “outside the family, in the community” (Coleman, 1990b, 334). Social capital as social networks refers to the resources that flow from the individual's network in a broad sense of the term: to kin relations, contacts with old university friends or colleges, etc. (Leiulfsrud, Sohlberg, 1994, 14). These networks, often based on the extended family or on close-knit relatives or friends, foster trust, lower transaction costs, and speed information and innovation (Putnam, 1993, 37). Putnam pointed out that social capital, which consists of social networks, norms and trust, facilitates coordination and cooperation for mutual benefit and tends to be self-reinforcing and cumulative. Those who have social capital tend to accumulate more - it is resource whose supply increases rather than decreases through use and which (unlike physical capital) becomes depleted if not used (Putnam, 1993, 37). Social capital creates a set of means by which it is much easier to succeed in society. For example, this aspect of social capital, as Srubar (1991) pointed out, has been very important in socialist society, where a system of social networks was a precondition for many things, education, work place, monetary and other forms of reward and career (Nikula, 1995b, 41). Putnam pointed out some negative effects (or dysfunctions) of social capital. Social inequalities may be embedded in social capital. Norms and networks that serve some groups may obstruct others, particularly if the norms are discriminatory or the networks socially segregated who is inside and thus benefit from social capital, and who is outside and does not. Some forms of social capital

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5 The concept of "social capital" was introduced by Loury (1977) to describe social network resources.
can impair individuals liberties (Putnam, 1993, 42). For example, young specialists can have no possibilities to get job, if they don't know well-known and influential people to help them. Thus racial and class inequalities in access to social capital, if properly measured, may be as great as inequalities in financial and human capital, and not less portentous (Putnam, 1993, 39).

Finally, symbolic capital refers to whatever has value in society - it “is commonly called prestige, reputation, fame, etc.” (Bourdieu, 1991, 230). Moreover, it is the form assumed by these different kinds of capital - economic, cultural and social - when they are “perceived and recognized as legitimate” (Bourdieu, 1991, 230). According to Bourdieu, scientific capital, for example, “is less a form of cultural capital of scientific competencies than a for of symbolic capital, based on prestige of the university one went to, the graduate school, one’s references, one’s membership on prestigious editorial boards, grant committees, and institutes. The habitus that would enable this sort of accumulation is not one primarily structured by scientific competence but one attuned to the accumulation of symbolic capital” (Lash, 1993, 199). Symbolic capital is employed in the distribution of capital assets which is played out by creation of a hierarchy of symbolic distinctions. Bourdieu sums up this relation by saying that “symbolic capital - another name for distinction - is nothing other than capital, of whatever kind, when it is perceived by an agent endowed with categories of perception arising from the incorporation of the structure of its distribution, i.e. when it is known and recognized as self-evident” (Bourdieu, 1991, 238). However, symbolic capital functions to mask the economic domination of dominant class and socially legitimate hierarchy by essentializing and naturalizing social position. According to Bourdieu, economic capital can be more easily and efficiently converted into symbolic capital than vice versa, although symbolic capital can ultimately be transformed into economic capital (Calhoun, 1993, 5). This transformation process is the way symbolic capital is said to impose categories of perception (through symbolic violence) on the viewer such that the act of observing and recognizing symbolic capital transforms the latter into economic or cultural capital.

The implied process here is said to be important for reproducing and reinforcing the power structures (Cicaurel, 1993, 101). Thus, symbolic capital is most of all kinds of capital related with habitus: the same reproduction function of habitus is mentioned in Bourdieu’s words that habitus is “a system of lasting and transposable dispositions which, integrating past experiences, functions at every moment as a matrix of perceptions, appreciation and actions and makes possible the achievement of infinitely diversified tasks” (Bourdieu, Wacquant, 1992, 18). Concept of “habitus” is defined as forms of system of classification, the mental and bodily schemata that function as symbolic templates for the practical activities - conduct, thoughts, feelings, and judgments - of social agents (Bourdieu, Wacquant, 1992, 7). However, “to classify a la Bourdieu - that is, to “nominate” - is not only to create invidious distinctions. It is also, at least in the most meaningful classifications, to constitute a conscience collective, to create collective identity” (Lash, 1993, 205). Certain classifying practices served to create collective identity - there is a certain symbolic “core” in judgments of taste - to the clothes we wear, our bodily habitus, our classifying practices - which are constitutive of collectivity. Besides, the tendency of distanciation exists in strategies of every social field. Although Bourdieu mainly speaks about elite groups with their cultural
consumption and attitudes, from sociological point of view, there is no reason why
distanciation should not take place from below, as a move in an active strategy of
resistance (e.g. workers build up informal collectives to protect themselves against
management, etc.). Thus, “habitus” can operate only in relation to a social field,
because every social field have its own symbolic system and it is not possible to
speak about the integral habitue of society. Bourdieu uses his concept of habitus
as a concrete tool of analysis at the individual or group level to examine the
attitudes, opinions and strategies of individuals or groups within different fields.
To sum up, Bourdieu indicates three main steps of field analysis (Bourdieu,
Wacquant, 1992, 104). First, one must analyze the position of concrete social field
in the field of power in terms of domination (in Bourdieu analysis entrepreneurs and
intellectuals are a fractions of the dominant class). Second, one must map out the
agents social positions described by the relations between the positions occupied in
the distribution of resources - that is, of economic, cultural, social and symbolic.
And, third, one must analyze the habitues of agents. Changes in social position
taking place with mobility between different capital assets that Bourdieu analyses in
terms of capital conversion. “The capital they [individuals] are able to accumulate
defines their social trajectory (that is they life chances): moreover, it also serves to
reproduce class distinctions (Calhoun, 1993, 5). From this point of view, it can be
possible to investigate how previous volume and content of capital of social agents
(as individuals who actively utilize and transform these power resources) influenced
their current social position.
Therefore, this theoretical point of view can properly fit for the start position
because it provides more possibilities to find important factors for success or fail in
attaining better social position. It is important in respect of the fact that in former
socialist society existed relative (if not mentioned the privileges of nomenclature)
equality between individuals in terms of economical capital. Theoretically all of
them had the equal chances to become winners in new situation. However, the real
situation showed the different picture: only minor part of people was able to use
possibilities for reaching better position. One of the main differences of former
socialist society were the differences of educational level of people, so it is
reasonable to suppose that high education (as well as other cultural and social
capital resources) could be one of main factors for transition to the higher social
position. Thus the task of the empirical part of this study will be not only to describe
the respondent's (most of all entrepreneurs and intelligentsia or others in case of
comparison) possessed capital resources but also to find the connections between
possessed capital resources and their social position in transforming social structure
of society and also to reveal the changes (or emergency of new one in case of
entrepreneurs) of identity and strategies. In addition to this, the attempts will to be
made to put this analysis in a historical perspective, to investigate the impact of
previous capital resources on current social position.
Working Definitions

For the empirical defining of the social position of entrepreneurs and intelligentsia it is necessary to construct the operational definitions of these social strata. It is difficult issue because of great disagreements between sociologists about the theoretical definitions of these social groups and the big variance of the content of these concepts in the different countries. It is evident that entrepreneurs in advanced industrial countries are not the same as in different market circumstances of transforming post-socialist countries if not to mention intelligentsia that is characteristic mainly to Poland, Russian and Baltic States. Thus the operational definitions of entrepreneurs and intelligentsia need to be relevant in the context of post-socialist reality of Lithuania and also to be useful to work with concrete questionnaire.

Despite all differences between entrepreneurs, the abstract definition of entrepreneur is the owner-manager of a firm. Most of researchers agree that “the distinctive feature, that separates entrepreneurial social strata from working strata and from managerial strata is that they own and control [thus they are fully involved into business activity] their means of production, no matter what is the amount or nature of those means and despite all the differences in terms of labor” (Nikula, 1995b, 40). Wesolowski also pointed out this basic feature and offered to distinguish between large, medium-scale and petty entrepreneurs: "Who are the entrepreneurs? First of all we must divide them roughly into two categories: the owners of large firms, with enormous turnovers and profits, on the one hand, and medium-scale and petty entrepreneurs, working in production and trade, on the other hand" (Wesolowski, 1996, 81).

In this main stream of definition on the economic basis, however, it must be included also the autonomy and decision-making as additional features, if to follow the Wright's conception of economic capital. These factors are very important for the indication of entrepreneurs in context of post-socialist Lithuania because of unreliable information dealing with their business activity and financial situation. The main reasons for these difficulties of collecting trustworthy data (especially in 1993, when data was collected) are the widespread entrepreneurs activity in shadow economy which first of all is characterized by double (or triple) book-keeping with purpose to avoid of paying taxes, to escape racket or to conceal contraband or other illegal business like exchange currency without license. Thus, as Wesolowski stated, "the source of “capital accumulation” primary is either unknown or even blatantly suspected. Firms go bankrupt yet their owners open further firms, even bigger than before (Wesolowski, 1996, 84). In such situation other than material factors can be more useful for constructing the operational definition of entrepreneurs. Alongside with autonomy and decision making power, the self-identification as entrepreneurs is also very important if to take into account that in first years of creating of market economy it was not easy to identify with entrepreneurs because of still negative attitude towards this kind of activity as a legacy of socialist regime and its ideology. Thus, for the constructing of the operational definition of entrepreneurs, the following criteria were selected: entrepreneurs are those respondents who identified themselves as entrepreneurs and chose at least one of following criteria - that they are working not for the state or they are supervisors or the resources of their salary are based on the entrepreneurship or their work is autonomous or they are making
decisions about policy to significantly change products, programs or services delivered by the organization/firm. In result it appeared that almost all respondents who identified themselves with entrepreneurs also corresponded other factors. Such definition allows to include all kinds of entrepreneurs from entrepreneurs who work in spheres of industry and trade till entrepreneurs who have firm and work in service such as car mechanics or electronic technicians, etc. Besides such definition also includes all entrepreneurs without any limiting in terms of number of employees of firm, thus it includes entrepreneurs of big or medium firms as well as entrepreneurs who work alone and who in fact form the main part of entrepreneurs in Lithuania.

To give the definition of intelligentsia is also a problematic issue: while the term of ‘intelligentsia’ is used today to designate groups or strata of educated but unpropertied people, in the Easter Europe (especially in Russia, Poland and Baltic countries) it acquired certain different characteristics. In this perspective, it is not enough to define intelligentsia in strict meaning of stratum: neither in terms “of raw materials with which it is dealing (ideas, values, cultural goods) nor in terms of its standard of education” because it is necessary to take into account the special “position and functions within socio-political structure of society” (Gella, 1976, 10).

The attempt to find the suitable definition of intelligentsia are also complicated by difficulties to separate two concepts that exist in sociological discourse: ‘intelligentsia’ and ‘intellectuals’. One way to distinguish these concepts can be presented by Bauman, Schopflin, etc. when ‘intellectual’ is someone involved in the generation of values, ideas, alternatives and critiques of the present, whereas the intelligentsia, the bearers of technical knowledge, is involved in the administration of these values and ideas (Schopflin, 1993, 29). It could be argued that such separation is too artificial and can hardly be done concerning the Eastern European case where some members of intelligentsia are producers and keepers of ideas, traditional national values, etc.

Gella, who insists that intellectuals in contrast to intelligentsia have never formed a social stratum, can present other way. Moreover, groups of people who have fulfilled the function of intellectuals such as developing ideas (or creating, distributing and applying culture) can be found in all, even the most primitive societies, while intelligentsia is phenomena occurred in the XIX century mostly in the Russia and Poland. From this perspective, intelligentsia refers to the social group (or strata) which “not only consisted of men and women of a wide range of occupations and various intellectual and educational levels, who shared certain beliefs, attitudes and manners, but it formed a broad segment of society with a relatively homogeneous spiritual culture” (Gella, 1976, 20).

In order to define the relations between the general categories of intellectuals and intelligentsia, Kennedy offers two possible types: first, when intellectual is considered the subset of the intelligentsia, the former is distinguished from the larger category by creative powers and a capacity for self definition. Second, when the intelligentsia is distinguished from the larger category of intellectuals, they are generally identified by their inclination for teleological reasoning or their distinctive cultural identity (Kennedy, 1992, 70). If to take into account the Gella’s perspective, the second type is more adequate (as well as for Kennedy), but it does not mean that all members of intelligentsia must be intellectuals, because “the values of this stratum were verbalized by a relatively small group of moral and intellectual
leaders” and “were not fully duplicated by all members of intelligentsia” (Gella, 1976, 13).
The concept of intelligentsia, which will be employed in this study, will mostly refer to the slightly changed Gella’s definition. The changes were caused first of all by the fact that Gella’s definition of intelligentsia mostly refers to the “classical” or “old” intelligentsia, which is different from intelligentsia of soviet times (officially called as “working”) which consisted of wider group of people and had other functions and structure. Besides, the educational requirement became stricter - now intelligentsia is associated with university education (Mokrzycki, 1995, 342). Thus the concept “intelligentsia” in this work will refer to people of a wide range of occupations and with university education, who shared certain spiritual culture (beliefs, attitudes and manners). As indicator of the relatively homogeneous spiritual culture first of all can serve the factor of self-identification with intelligentsia as social group traditionally separated by clear boarders with high cultural consumption and high activity in social and political spheres.

Thus, the operational definition of intelligentsia includes the following criteria: intelligentsia consists of respondents who identified themselves as members of intelligentsia and also have the highest education - complete or incomplete (in case of students) university education. To include the occupational status as professionals was not reasonable, because it appears that the significant percent of people with high education are working in much less qualified jobs (more than 23%). However, if in case of entrepreneurs the self identification corresponds the other factors, in case of intelligentsia it is more complicated: only 64% of respondents who identified themselves with intelligentsia have university education. Thus popular understanding of being intelligentsia member is closer to Gella’s concept of “old” intelligentsia. On other hand, it will be possible to employ not only the theoretical definitions of intelligentsia, but also current popular perception of this social strata: who identify themselves with these groups (demographic characteristics), what features they have (occupation, financial situation, etc.), their values and involving into public activity, etc.

Hypotheses of the research

The preliminary hypotheses are as follows:

H1: One of the basic factors for occupying higher social position in post - socialist society, especially in case of entrepreneurs, are power resources that derived from people who occupied a strong position in the old soviet system, because people with great account of financial, social and/or cultural capital resources can be more successful in new economical conditions.

H2: The most important factor of social stratification during first stage of transformation in post-communist was educational level of individuals. The argument which inspired to formulate such hypothesis is that in former communist society existed relative (if not mentioned the privileges of nomenclature) equality between individuals in terms of economical capital. Theoretically all of them had the equal chances to become winners in new situation. However, the real situation showed the different picture: only minor part of people was able to use possibilities for reaching better position. One of the main differences of former communist society was the difference of educational level of people. Thus it is reasonable to
suppose that high education could be one of main factors for transition to the higher social position.

H3: High educational level is not enough for success, the personal initiative, autonomous decision making, responsibility and the ability to risk as well as access to useful information and social connections with the right people in Lithuania and in abroad are necessary too.

H4: Restructuring of intelligentsia was influenced by the decrease of prestige of high education and decrease of role of intelligentsia in post-soviet Lithuania.

Research Methods

In this study a combination of two research methods will be used: quantitative with standardized questionnaire and qualitative with in-depth interviews. Both these researches are international projects and they were conducted in Lithuania by the Department of Social Stratification of the Lithuanian Institute of Philosophy and Sociology. The first one, “Social Changes in Baltic and Nordic Countries”, in Lithuania involved 1483 (then 1500 were chosen, so 99% of participation in survey) respondents. The theoretical sample was constructed according to the following statistical data: place of residence, age, gender, nationality, and education. Interviewers first of all tried to find the concrete person by known address. If they failed to find the correct person, they had the right to find another respondent with the same characteristics as the sample. The distribution of respondent’s current occupation was compared to the statistical data and used as a control variable. Entrepreneurs in this general sample make up 4% (60) and intelligentsia - 5% (76). It is comparable percentage of these social groups of respondents in almost all post-soviet countries. However, it is limited number of respondents in terms of representativeness, but it is still possible to conclude at least some basic trends.

The second one, “Lithuanian Household Panel Study”, is implemented in the framework of international project “Family and Living Conditions in the Baltic States”. The 25 families (the total number of the interviews is 49, because wives and husbands were interviewed separately) with at least one child aged till 18, randomly selected from throughout Vilnius. Stratified purposeful sampling was used - there were families with spouses representing different age groups, ethnic origin, socioeconomic status and labor force participation, etc.

The Features of Entrepreneurs and Intelligentsia

Economic capital

The main feature that describes entrepreneurs is the existence of their own business. In order to reveal this activity, it must be shortly described the general situation of private business in Lithuania during first years of transformation. Private business had mainly two ways of start: on the basis of privatization of state-owned enterprises or of personal activity, however, the last one seems to be the most important. According to Taljunaite, the Lithuanian privatization modalities draw largely on the models of the former Czechoslovakia and Poland. Lithuania opted for
“mass privatization” by distributing vouchers - free of charge - to Lithuania citizens. The privatization system of Lithuania also has an “age element”, based on the assumption that elder people worked for a longer time as employees of the State for those assets and should thus be given a larger share than younger (Taljunaite, 1995, 24).

Thus, younger people had less possibility to participate in the privatization process and to start own business on their own initiative. The data from survey show that this way of becoming an entrepreneur was prevailing. First of all majority of entrepreneurs (69,7%) belong to the age groups below 35 years old:

**TABLE 1**

**Age Structure of Entrepreneurs and Intelligentsia**  
*(in percent)*

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<thead>
<tr>
<th></th>
<th>Entrepreneurs</th>
<th>Intelligentsia</th>
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<tbody>
<tr>
<td>18 - 24</td>
<td>41,1</td>
<td>12,1</td>
</tr>
<tr>
<td>25 - 34</td>
<td>28,6</td>
<td>31,8</td>
</tr>
<tr>
<td>35 - 44</td>
<td>21,4</td>
<td>19,7</td>
</tr>
<tr>
<td>45 - 54</td>
<td>5,4</td>
<td>21,2</td>
</tr>
<tr>
<td>55 - 64</td>
<td>3,6</td>
<td>10,6</td>
</tr>
<tr>
<td>65 and over</td>
<td>-</td>
<td>4,5</td>
</tr>
</tbody>
</table>

On other side, being the owners of shares as result of privatization does not exactly mean that person is an entrepreneur if he or she is not directly involved into business activity and these owners do not identified themselves as entrepreneurs. Thus, it can explain why it is small number of elder people among entrepreneurs in this survey. Besides, according to Taljunaite, majority of respondents pointed out that they had no any substantial economic profit from these vouchers - only 13% of them answered that they had significant profit. Thus, majority of people stated that privatization by vouchers had no any significance and only people who had more money [who had more possibility to buy up significant amount of vouchers] could purchase more property (Taljunaite, 1996, 322).

The other result from survey also confirms that private initiative was the basis of new entrepreneurship - most of establishments are new: almost 4 firms out of 5 are without any predecessor. Besides, mainly males showed this initiative - prevalent majority of entrepreneurs are males while this disproportion in intelligentsia (as well as in other strata) is not so sharp:

**TABLE 2**

**Entrepreneurs' and Intelligentsia by Sex**  
*(in percent)*

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneurs</th>
<th>Intelligentsia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>82,8</td>
<td>40,9</td>
</tr>
<tr>
<td>Female</td>
<td>17,2</td>
<td>59,1</td>
</tr>
</tbody>
</table>

The same feature was noticed also by Taljunaite: it appears that people who are mostly satisfied with democratic changes and have positive attitude towards the
market economy are “to a certain degree males, young, having a certain social capital, knowledge, relationships and finances dominate” (Taljunaite, 1996, 324).

However, the data from interviews can show more detailed picture of nature of private initiative or, as Wesolowski called it, “personal energy”. First of all it must be noticed that careers of entrepreneurs indicate that enormous proportion of these people have been involved in a number of different occupations and activities in past (this fact was also confirmed by results of national survey - entrepreneurs more frequently changed their jobs than all other social strata). Second, it can be distinguished two different strategies: “stimulate” private initiative and “forced” private initiative (Taljunaite, 1997, 43). As the best and typical example of first strategy can serve the story of entrepreneur Arunas in one of in-depth interviews. Having graduated from Vilnius secondary school Arunas entered Vilnius State University faculty of Physics. Having completed his studies, he worked as an engineer in Vilnius computing machines amalgamation for five years, was a head of laboratory. Before “perestroika” he brought up flowers, and sold them in Lithuania and Byelorussia. When favorable laws occurred in 1986, he jointly established a cooperative of plastic articles. Having left state job in 1988 he established a private firm of distribution of foreign beer. He is the owner and a financier of the firm now. As illustration of second strategy can be the words from interview with another entrepreneur: “though prices are too high and there is inflation, but all this chaos forces a man to act, not just to live from the salary”. Even these words belong to man who is lawyer (so his profession gives opportunity to render services and to earn for living this way), this kind of surviving strategy was mentioned by majority of other interviewed petty entrepreneurs like merchants or so called “commercial tourists”, who have filled an empty post-soviet market with different foreign wares and consumer goods. Thus it seems that in Lithuania the rise of entrepreneurship was mainly based on the need to adapt and survive in new economical conditions. Other feature of privatization process at least in first years was dealt mainly with small or middle scale state enterprises - privatization started with the selling off of small-scale enterprises in auctions before starting to sell off large-scale enterprises using a voucher system. In the end of January 1992, most of the small enterprises already offered for sale had been purchased (Taljunaite, 1995, 24). In 1993, according to the data from the Register and Classification Office, there were approximately 27987 private enterprises, but only minority of all existing firms was known, because the number of firms changed very quickly as firms founded and disbanded or the large number of firms was not registered. Most of the firms in Lithuania were in general quite small: 42.6% of them employed 1-4 employees, and almost three-quarters employed under 20 people. Besides, 76,1% of small enterprises are personal enterprises.

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6 According to the Law on Small Enterprises “a small enterprise shall be an enterprise with total number of employees not in excess of 50 persons and with the total annual income not more than 500 thousand litas per year” (Small and Medium Enterprise in Lithuania, 1995, 10).

7 Data from a business survey “Small and Medium Enterprise in Lithuania” published on the initiative of EU PHARE SME project and ECOFIN Baltic Consulting Ltd.
The data from our survey shows the similar picture: the majority of private enterprises have only 1-2 owners and majority of them do not employ any worker (22.7%) or less than 5 (56.8%). Approximately half of firms (54.8%) were engaged in trade and catering. The second important sphere of business was various different services (21.5%) and there third - manufacturing (16.7%). This situation can be explained by the fact, that most of establishments are new and also that the main means to finance the founding costs of business were personal savings. Other main source was savings of their relatives, only very few respondents had used bankloans or got donations - mainly because of high costs: real interest rates remain high, the immaturity and absence of stability (if to take into account the numerous bankrupts) of banking and financial sector.

Thus, majority of entrepreneurs has not a large business of their own, but most of them planned to enlarge their circle of customers or to merge their own firm with other firms in the same field. On the other hand, quite many entrepreneurs planned to change their sphere of business for the future success. The results of other researches also indicate the fact that entrepreneurs usually had more than one main activity and, on other hand, the rapid changes among small and middle enterprises - some go out of business, some grow and relocate, others become concentrated on one part of the market.

As can be seen from information concerning entrepreneurs’ incomes, they are not very high in comparison with income of wage workers. Small business is not only one explanation for this situation, because in this case the question of the validity of the factor of income in Lithuania today, occurred. It is very difficult to find out the real incomes from respondents especially from the group of entrepreneurs, because most of them conceal their real financial situation because of illegal business and/or escaping from paying large taxes or paying to racket, so this social status component can not be considered as valid. Other Lithuanian researchers also mention the same problems: “the main problems which are faced when performing analysis are - the unwillingness of households to participate in such surveys and hiding of incomes. Because it is especially difficult to include people, receiving high income, into a survey and the money income index computed from the surveys is lower than the real one” (Sniukstiene, 1994-1995, 85). Taljunaite indicates this problem as well and points out that the data from qualitative survey are closer to reality - “the sums which are mentioned by people are very different (up to 10 times) from the sums presented by the statistical data” (Taljunaite, 1997, 60).

However, the answer can be found by indirect way, e.g. from the answers of respondents about their satisfaction with their financial situation. Only 12.1% of intelligentsia agreed that their financial situation improved since 1988 and even 72.7% of them are dissatisfied with their financial situation (other strata are even more pessimistic). The financial situation of entrepreneurs is significantly better: 53.4% of them pointed out that it improved and 50.4% are satisfied with whole financial situation (among them 15.5% completely satisfied). Besides, the majority of them answered that the most important thing in heir jobs is good payment.

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8 Data from a business survey “Small and Medium Enterprise in Lithuania” published on the initiative of EU PHARE SME project and ECOFIN Baltic Consulting Ltd.
Thus it is understandable why the most important reason for them to prefer the private business (more than 90%) instead state-owned is the better wages (53.7%) and the second reason - the possibility to have more autonomy (42.5%). For intelligentsia these two reasons are reversed: the main reason - autonomy (42.5%), second - better wages (48.7%), besides, their preference of private business is less expressed - only 46.3%. However, data shows that 21.2% of entrepreneurs before the start of transformations (1988) worked in sphere of science and research assistance that is the essential intelligentsia’ sphere of work. This figure reveals the significant mobility of members of intelligentsia towards entrepreneurship. As Stankuniene emphasizes, “a decisive change in the status of science, its diminishing prestige in society as well as the governmental policy depreciating the role of science in socio-economic development of the country have encouraged scientists to leave science” (Stankuniene, 1996, 336). In her research she found that the main directions where the person moved after he or she left the science institute are following: 14% abroad, 14% administration, 12% private sector, 22% other science institute, 3% unemployed, and others occupation is unknown (Stankuniene, 1996, 340).

Also she added to these reasons for the scientists (as well as all intelligentsia) vertical and horizontal migration the hard financial situation of science institutions which depends on state budget. Moreover, this reason was mostly emphasized in the qualitative interviews (Taljunaite, 1997). Intelligentsia is mostly occupied in the education, science, health care and social maintenance, culture spheres which first faced the reducing of funding from the budget and is the last candidates for privatization. In general, intelligentsia is wage earners: the most important sources of income are wages and salaries. As can be seen from information concerning the sources of their income, the most important is from main job (80.3%) [and also 3.0% from entrepreneur incomes that shows that some of intelligentsia are also entrepreneurs even if they consider themselves as intelligentsia], second important is support from relatives (19.7%) or occasional incomes (12.1%). For entrepreneurs these figures are: the most important - from main job (41.4%), entrepreneur incomes (32.8%) and from sell goods at market, second - occasional incomes (22.4%) [that shows the big difference within this strata]. From the data it is obvious that income of intelligentsia (and also intelligentsia in popular understanding, not limited by census of university education) is much lower that entrepreneurs'. The reason for this situation is not only that most of them are working in state-owned enterprises (50%) or state, municipal authorities (16.7%), but also that some of them are students or pensioners (15.1%).

This situation gives the claim for suggestion that we can observe very low correlation between educational level and income in Lithuania. The results are similar to those observed in the post-socialist states as Poland, Hungary, and the Czech Republic, where the relationships of social strata with status components are not consistent, because experts and professionals are on the top of educational hierarchy, while managers and employers rank highest in income (Slomczynski, 1995)9. This situation also has its roots in the legacy of socialist regime, in which non-manual workers were paid less: while high education was source of prestige,

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9 However, Domanski argues, that the last results showed the tendency of decrease of such inconsistency (Domanski, 1995, 337).
the existing “abnormal wage system” which favored manual jobs lead to paradoxical situation than an engineer got better wages if he or she worked e.g. as a welder but not as an engineer (Melin, 1995, 47).

That concerns other differences in economic capital between entrepreneurs and intelligentsia - they differ mainly in decision-making power: 72,7% of entrepreneurs (38,9% of intelligentsia) answer that they decide what to do and which assignment to take alone and only for 6,8% of them - higher-ups (33,3% for intelligentsia). 55,8% of entrepreneurs (42,6% of intelligentsia) answered that they supervise others, but among those who are not supervisors there are these who work alone. However, both social strata have similar high level of work autonomy, 70,5% of entrepreneurs (79,6% of intelligentsia) answered that their need to design work.

Other differences deal with their living conditions: entrepreneurs live significantly better: 34,5% have their own house (only 9,2% of intelligentsia) or big private flats. The private houses or big private flats shows not only better living conditions but also the some requirements for entrepreneurs to have these goods (as well as the best cars and clothes or even cultural participation in more expensive performances) as unwritten requirements for their life style and maintenance or increase of their prestige. However, for the revealing of these factors it is need to investigate other types of capital resources, such as cultural and social.

*Cultural capital*

If all intelligentsia have university education (by definition), the vocational education level of entrepreneurs is various:

| TABLE 3  |
| Educational Level of Entrepreneurs (in percent) |
|---|---|
| Vocational courses | 5,5 |
| Lower vocational school | 12,7 |
| Higher vocational school | 18,2 |
| University | 16,4 |
| Without vocational education | 47,3 |

As can be seen from table 3, the typical vocational training of this group of respondents is intermediate vocational training (lower and higher vocational school). However, there is also bigger percent of entrepreneurs with university education (16,4%) in comparison with all population (13,5%), that leads to the suggestion that at least for some of them the high education was the starting point for the career of entrepreneurs. Of course, it must be mentioned the more useful kind of knowledge - mostly high education in economics and law. As argument for this statement Stankuniene’ observation can serve that most departures of scientists are registered in economic (53,4%) and law (52,5%) science institutions (Stankuniene, 1996, 338). On the other hand, people with higher education (i.e. having more knowledge), are more likely to adapt in new economical conditions and can be more successful in their business.
The most unexpected result in analysis of entrepreneur’s vocational education level is that over 47.0% of entrepreneurs do not have any vocational training at all. The most reasonable explanations may be that 41,1% of entrepreneurs are below 25 years old, thus it is possible to suggest that they after the secondary school (without vocational training) chose to start their own business instead of seeking the higher education. On other hand, due to this situation some of them feel the lack of vocational education: 25,9% pointed out that their educational level don’t correspond for current job. This statement can explain why more than one third of them think that they need more training especially in marketing, bookkeeping, cost-calculation, etc.

Contrary, 26,3% of intelligentsia claimed that they are over qualified for their current job. This situation is the result of working in much less qualified jobs (more than 23%). However, only 7,4% of intelligentsia answered that - they have very little possibilities to use skills and know-how in their job’s activity. Besides, majority of intelligentsia (61,1%) would rather chose very interesting but with only average pay instead of really good pay job, while this figure for entrepreneurs - 45,5%.

If to look at the cultural habits of entrepreneurs and intelligentsia it is possible to observe even more differences:

<table>
<thead>
<tr>
<th>TABLE 4</th>
<th>Cultural Habits of Entrepreneurs and Intelligentsia (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once or more a year</td>
<td>Entrepreneurs</td>
</tr>
<tr>
<td>go to cinema</td>
<td>46,6</td>
</tr>
<tr>
<td>go to theater</td>
<td>39,7</td>
</tr>
<tr>
<td>go to restaurants</td>
<td>63,8</td>
</tr>
<tr>
<td>go to concerts</td>
<td>56,9</td>
</tr>
<tr>
<td>Reading books</td>
<td>75,9</td>
</tr>
</tbody>
</table>

*the possible answers were: “less than once a year”, “1-2 times a year”, “monthly”, “weekly” and “daily”.

In comparison with intelligentsia, entrepreneurs are more passive in cultural and social life (but also quite active in comparison with other groups). On one side, it can be explained by the fact that they are very busy: entrepreneurs mostly pointed out the irregular form of their working times (61,4%) while intelligentsia mostly work regular day time work (80,4%), besides majority of entrepreneurs regularly work overtime (intelligentsia mostly work overtime irregularly or never).

However, the high cultural activity is distinguished feature of intelligentsia’ life style. Besides, the members of intelligentsia more often answered that they participated in cultural events almost monthly or even weekly. According to Rapoportas, one of the form of intelligentsia’ self-identification is “the form of participation in culture - in the roles of author or consumer. As a census of this, cultural competence - understanding of certain minimum of cultural codes and texts - is appearing” (Rapoportas, 1997, 26).

More information about these social strata can be regarded in case of time spending as other indicator of life style. Here I am especially interested in these answers,
which shows that respondent at least one hour participate in the different kinds of activity at their ordinary week:

<table>
<thead>
<tr>
<th>TABLE 5</th>
<th>Time Spending of Entrepreneurs and Intelligentsia (in percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least one hour a week</td>
<td>Entrepreneurs</td>
</tr>
<tr>
<td>Studies and self education</td>
<td>58.6</td>
</tr>
<tr>
<td>Sports</td>
<td>41.4</td>
</tr>
<tr>
<td>Traveling</td>
<td>50.0</td>
</tr>
<tr>
<td>Fishing and hunting</td>
<td>24.1</td>
</tr>
<tr>
<td>Social movements/ Voluntary associations</td>
<td>15.5</td>
</tr>
</tbody>
</table>

*possible answers were: “not at all”, “less than one hour”, “1-2 hours”, “3-5 hours” and “more than 5 hours”.

According to the data presented in the table 5: if intelligentsia prefer to spent the leisure time mainly by studies and self-education, entrepreneurs are also interested in other kinds of activity like sports, fishing or hunting. However, both intelligentsia and entrepreneurs are more active in these kinds of activities in comparison with other social strata. Other significant feature of both social strata is the greater interest in knowing of social, economical and political situation that can influence their success in work situation. Only 18.3% of entrepreneurs (similar to managers and intelligentsia) read the newspapers less than one hour a week. Entrepreneurs are also interested in knowledge (from newspapers, journals and books) from abroad, but this figure for intelligentsia is higher.

The other distinctive feature is that intelligentsia is much more active in participation in social movements in comparison not only to entrepreneurs but also to all other social groups. Other researches also confirm the highest rate of intelligentsia participation in public life, e.g. Reisinger points out that “members of the urban professional stratum are more likely to be both active and influential in any society”. However, according to him, the most strongly expressed democratic values of intelligentsia show that “they were clearly the predominant movers in the transformation of the USSR in the Gorbachev era. They values might well be more important in assessing the prospects for democratization than the mean for the society as a whole" (Reisinger, 1994, 215).

If to return to the comparison of life styles between intelligentsia and entrepreneurs, it is important to notice the high frequency of traveling characteristic for both social strata. In case of entrepreneurs, they are going to abroad (with the reasons not only traveling, but for business and for visiting friends or relatives too) much more often than any other social group. The main reason for this possibility can be the better financial situation and it is a good example of capital conversion, when the economical capital was converted in cultural as well as in social (in mean of new social relationships) too. Only the managers are in similar situation especially in going to abroad on business. Intelligentsia also travels a lot if to compare workers or white collar employees, but this activity is less frequent than in 1988 mainly by limited finances. If to look deeper at this aspect, it is important that most of entrepreneurs and intelligentsia had gone abroad or to the territory of former Soviet
Union many times before the re-gaining of independence. So it can be supposed that these social relationships could help them for faster adaptation in the new economical conditions and finally to convert this social capital into economical one. In general it can be concluded that the life style of both social strata, despite some differences in cultural consumption and participation in public life - entrepreneurs and intelligentsia is more active than of all other strata both in personal and social sphere. If to look for the reasons for this distinction, some signs of cultural reproduction can be found. For intelligentsia 40% of mothers and 32,7% of fathers also were a member of intelligentsia, smaller but also significant percent in comparison with workers or white-collar employees of parents were managers (who as a rule in socialist regime had higher education). Accordingly, for entrepreneurs 13,8% of fathers and 17% of mothers were managers, 21,3% of mothers and 13,8% of fathers were professionals (as for intelligentsia, mother’s profession is more influential). Here can be noticed the great role of “inherited” cultural capital (capital that has been transferred from previous generation cultural capital) for the life perception and self-identification as well as for chose of kind of activity and success in it. That statement can be argued by other important information can be taken from more detailed analysis of social capital resources.

Social capital

As was written above, social capital of entrepreneurs and intelligentsia is in a very close interaction with economical and cultural capitals. This fact can be seen from the following table 6, where the most important thing for success in 1988 and 1993 among intelligentsia and entrepreneurs had been asked.

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneurs</th>
<th></th>
<th>Intelligentsia</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealthy family</td>
<td>25,2</td>
<td>39,7</td>
<td>30,6</td>
<td>24,6</td>
</tr>
<tr>
<td>Education</td>
<td>25,0</td>
<td>27,6</td>
<td>40,0</td>
<td>33,3</td>
</tr>
<tr>
<td>Ambition</td>
<td>8,3</td>
<td>12,1</td>
<td>40,3</td>
<td>25,8</td>
</tr>
<tr>
<td>Hard work</td>
<td>16,7</td>
<td>58,6</td>
<td>40,1</td>
<td>41,5</td>
</tr>
<tr>
<td>Right people</td>
<td>66,7</td>
<td>44,8</td>
<td>55,0</td>
<td>60,6</td>
</tr>
<tr>
<td>Political connections</td>
<td>8,4</td>
<td>10,3</td>
<td>50,4</td>
<td>32,3</td>
</tr>
<tr>
<td>Risk consciousness</td>
<td>8,3</td>
<td>29,3</td>
<td>10,0</td>
<td>21,2</td>
</tr>
</tbody>
</table>

According to the data, presented in the table 7, the opinions concerning the current situation the factors influencing one’s success in society, in generally, differ significantly from those belonging to the year 1988. While in 1988 the most crucial things for success in life were to know the right (influential) people and to have a good education, five years later the order of most important values hierarchy is different. If knowing the right people remain to be significant, hard working, diligence seems today to be in the dominant position for entrepreneurs.
If we look at the same attitudes among other social groups, it is important to notice that the main differences deal with choosing between hard working (as a new condition for surviving in market economy) and having feasible connections with right people (as relic of the widespread system of nepotism). At this aspect other new factors of success emerged: willingness to take risk and ambition as factors depended on one-self instead of previous “state-dependency and inevitable passivity” (Nikula, 1995b, 42).

Other sign of changed values system is that education as important value for success lost its earliest position for most of respondents even for intelligentsia. One of the reasons of total loss of belief in good education is related with people’s observation of many examples of great success of people without any vocational education, who became entrepreneurs and earned a large amount of money. To earn more money become more prestigious than to have university education and as result, the significant decrease the prestige of at least some intelligentsia professions such as teachers, engineers or even doctors.

One of the most interesting results from the respondents answers - the increase of importance of social origin. Entrepreneurs (and also farmers) most of others social group specified that wealthy family can be a good start position for beginning of the business. The more rich is family (in a broad sense) the bigger financial support can expect their members. If we look at this through the capital resources prism, we must agree that wealthy family can be resource not only of the direct economical capital, but also of others cultural and social “assets”. A typical example is provided by the conversion of economical capital, with money invested in sending children to a school with a good reputation (Bourdieu, 1994). Besides, as was pointed out in some interviews, adult children of these families have more possibilities to use the social network of their parents. For example, young family (both spouses are 25 years old) of entrepreneur and dress designer, whose parents have good jobs or are engaged to commerce, mentioned parents’ friends, the specialists of their spheres, as the resources of possible help (Gečiene, 1997, 204).

There is other important reason for this attitude of people - the nepotism is such a widespread phenomenon, that if one want to be accepted for a job, in most of the cases it is necessary to have the protection from well-known people as usually relatives, good friends, and etc. These suggestions are confirmed by the results of tables 7 and 8:

**TABLE 7**

Intelligentsia’s Social Network: the Help in Main Problems  
(*in percent*)

<table>
<thead>
<tr>
<th></th>
<th>Employment problem</th>
<th>Minor financial problem</th>
<th>Great financial problem</th>
<th>Housing problem</th>
<th>Start new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents</td>
<td>6,1</td>
<td>33,3</td>
<td>33,3</td>
<td>16,7</td>
<td>7,6</td>
</tr>
<tr>
<td>Children</td>
<td>3,0</td>
<td>7,6</td>
<td>3,0</td>
<td>1,5</td>
<td>-</td>
</tr>
<tr>
<td>Neighbors</td>
<td>-</td>
<td>4,5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Friends</td>
<td>21,2</td>
<td>13,6</td>
<td>6,1</td>
<td>6,1</td>
<td>24,2</td>
</tr>
<tr>
<td>Fellow workers</td>
<td>30,3</td>
<td>7,6</td>
<td>-</td>
<td>1,5</td>
<td>1,5</td>
</tr>
<tr>
<td>State authority</td>
<td>10,6</td>
<td>1,5</td>
<td>-</td>
<td>10,6</td>
<td>7,6</td>
</tr>
<tr>
<td>No help</td>
<td>22,7</td>
<td>28,8</td>
<td>48,5</td>
<td>57,9</td>
<td>51,5</td>
</tr>
</tbody>
</table>
TABLE 8
Entrepreneurs’ Social Network: the Help in Main Problems
(in percent)

<table>
<thead>
<tr>
<th></th>
<th>Employment problem</th>
<th>Minor financial problem</th>
<th>Great financial problem</th>
<th>Housing problem</th>
<th>Start new business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents</td>
<td>5.3</td>
<td>35.1</td>
<td>36.8</td>
<td>28.1</td>
<td>19.3</td>
</tr>
<tr>
<td>Neighbors</td>
<td>-</td>
<td>3.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Friends</td>
<td>31.6</td>
<td>26.3</td>
<td>24.6</td>
<td>8.8</td>
<td>14.0</td>
</tr>
<tr>
<td>Fellow workers</td>
<td>22.8</td>
<td>3.5</td>
<td>1.8</td>
<td>1.8</td>
<td>7.0</td>
</tr>
<tr>
<td>State authority</td>
<td>17.5</td>
<td>1.8</td>
<td>3.5</td>
<td>15.8</td>
<td>26.3</td>
</tr>
<tr>
<td>No help</td>
<td>14.0</td>
<td>28.1</td>
<td>26.3</td>
<td>42.1</td>
<td>24.6</td>
</tr>
</tbody>
</table>

*The help from children is insignificant, because entrepreneurs are predominantly young people.

Only some (less than 11%) of intelligentsia would appeal to state authority, while among entrepreneurs the respective figure is higher: first of all in the case of starting a new business or searching a new job and in housing problems, for example kindergartens for parents, who worked and have young children. But in general we may assume that for intelligentsia and entrepreneurs (and for others respondents too) the social network is very valuable and it is stronger than formal relations with state authority in case of solving the different important problems are.

According to the data, most of respondents in both strata point out that they will look for help in minor or great financial problems and housing problems first of all among the closest relatives - parents (or adult children if they are in the pension age). Intelligentsia and entrepreneurs have more significant support from parents in comparison with other strata. In addition, they will have help in work/employment problems and in starting new business also (especially for entrepreneurs). These data confirm the importance of strong ties with relatives (and success of survival strategy also) and importance of the social origin as one of factors of social inequality.

The next social resource of help in all problems is friends as well as fellow workers. Mostly they are mentioned in the case of solving work/employment problems that was confirmed by respondents of all social positions. But if for workers and farmers it is the main kind of help, for intelligentsia and entrepreneurs friends could help in the financial problems (even great - for entrepreneurs) or starting new business. Intelligentsia and entrepreneurs have closest ties with friends: their friends are ready to help them in housing problems also. The more possible reason of differences are in content of friendship: people with different social position use their networks for different purposes: while the poor families exchange concrete, material things and services as well as information about access to them, families in higher social position mostly exchange different kinds of information.

Other difference deals with the number of friends: from interviews it become evident that the number of friends depends largely on social strata and education level of person: people with higher education have much more friends, than people with lower educational level. But here it is important to mention that intelligentsia (as well as entrepreneurs) has very many acquaintances, but their real friends are
mostly from earliest times from school or university. Besides, most of them emphasized the importance of friends for spending leisure time without market functions: the majority of them, except some, characterize their relations as being only social, symbolic ones: they go to the nature together, visit each other often, celebrate birthdays and holidays. For example, family of private tourist firm employee (38 years old) and international cultural organization secretariat office worker (31 years old) pointed out that despite the fact that they got acquainted and began to communicate closely with many new people in course of last five years, this way expanding and qualitatively changing their sphere of communication, they especially appreciate their relations with close youth friends (Geciene, 1997, 206). Thus it is important to mention the different level of trust towards friends and acquaintances, e.g. one of interviewees who is an entrepreneur (31 years old) pointed out that he have no friends who are related to his work, because there can not be friends in commerce, only many acquaintances, but these are business casual relations (Geciene, 1997, 206). There are other differences between low and high social position families: if in case of medical, juridical or other problems with state authorities entrepreneurs or members of intelligentsia with good official jobs have a lot of persons to appeal for advise, blue-collar families more frequent have no any help or would look for such person among relatives. Here it can be noticed one important feature of social contacts in form of information. The social contacts with many acquaintances can help mostly with covering the lack of needed information, which can not be covered in relations only with few friends. This information usually deals with the specifying the level of trust towards the quality of service, work of some organization or just the qualification of professionals:

INT: And what would be the difference to go when you don’t know that person and you are familiar with him?
RESP: Maybe the matter is that it would be easier to make clear weather you go to the real specialist or not. When the wife works in that system, that sphere, as every specialist, he can be the real specialist and not quite, so it would be easier to make clear weather you go to consult real specialist or only the person who is a specialist theoretically (man, 28 years old).

The choice of friends is caused not only by the individual’s personal features, but also in most cases it is patterned by the social position, because most of families have friends in the same environment. In many cases of intelligentsia people - most of theirs friends are from intelligentsia, besides the majority of their spouses also work as professionals. Thus it can be assumed that the more wide is the circle of acquaintances the more possibilities to have needed help especially in such uncertain situation in the liminal periods of society then there are no any (or only some that you can not trust also) trustworthy agencies of information. As it was shown, such sector of social networks is especially important for entrepreneurs and partly for intelligentsia. In respect of these contacts their social networks are much wider than e.g. workers and farmers. However, the other important result is that there are a large percent of respondents (especially among workers, white-collar employees and farmers), who pointed out that they haven’t received any help at all. On one side, this situation can be interpreted as the result of trend to live an independent life from other people
without expectation of any help. On the other side, we can suppose that these people have very weak social relations. At this aspect entrepreneurs and less intelligentsia have a strongest social network in comparison with all others social groups, so their social capital is larger and can be converted in other social power resources, because if people had small social capital resources, they have the most difficult access to other capital resources.

However, we can suggest that the origin of entrepreneurs’ social capital mostly depends on their own initiative, that was evident from the closely-knit social relationships with friends and fellow workers (as well in Lithuania, as in abroad) not only in the solving various problems but in the getting of important information too. Nikula also argues, that “social capital of entrepreneurs is more self-acquired - accumulated during socialist period though various connections and positions in the social hierarchy (Nikula, 1995b, 43). This thesis confirms the suggestion, which showed that to have the wealthy family is not enough for becoming a entrepreneur, because the personal initiative in private sphere is so important as the possibility of autonomous decision making and responsibility as well, as the capability to risk.

At this aspect it can be assumed that both intelligentsia and entrepreneurs have a significantly strongest network in comparison with all other social strata, so their social capital is larger and can be converted in other types - economical or at least symbolic - capital resources, because if people have small social capital resources, they have the most difficult access to other capital resources (Geciene, 1996, 384). This thesis can be confirmed by the data from in-depth interviews, which showed that families of intelligentsia and entrepreneurs are more involved in the different social relations. The same results were received by Hansson who pointed out that entrepreneurs in Estonia successfully use personal networks on business-professional level as well as business-professional networks on personal level (Hansson, 1997, 224). Thus it can be concluded that there is interdependence between social capital and social position: from one side people with wider social network have more possibilities to improve their social position, from other side, higher social position leads to easier using previous social contacts and acquiring new one’s. Consequently, it can be made the hypothesis that in transformation period this kind of capital has the crucial importance. This capital and cultural one (especially in case of intelligentsia) could create the basis for easier access to higher social position (and vice versa) and convert their social capital into economic one in forms of better job and higher hierarchical position that leads to higher earnings, better success in privatization process (because they had more adequate information) or in starting their own business.

Symbolic capital

All types of capital - economic, cultural and social - merge into symbolic capital and become legitimized. As was mentioned above, this kind of capital concerns everything that is valuable in society - prestige, reputation, fame, etc. However, symbolic capital serves for maintaining of stability in society, so it is difficult to speak about it in the period of transformation when all the hierarchies, values, attitudes are changing. Thus here it is possible only to discuss some tendencies of these changes, especially crucial changes in prestige hierarchy. These changes can be empirically analyzed mainly by two ways: one of them deals with investigation
of attitudes towards the prestige of occupation, higher education, etc., and the other one - with the subjective evaluation of one's own position in society. Most of Lithuanian social scientists emphasize the decrease in prestige of intelligentsia - scientists, professors and teachers, doctors and other people with usual occupations of intelligence strata. Especially it is evident in comparison with the highest prestige and role of Lithuanian intelligentsia as avant-garde of national independence movement. It formulated values (mostly related to national identity by revitalizing of historical memory and seeking of freedom), goals (among those also was to quit with socialistic centralized planned economy and create market economy with accordance of creating democratic political system) and mobilized the rest population (the best example can be the action of "Baltic path" in 1989 when the chain of thousands of people connected Vilnius and Tallinn). Thus intelligentsia performed the political function (which in normal times belongs to the political elite - professional politicians): they formed the first sejm and government. Konrad and Szelenyj also emphasized that in the events of these years the role of intellectuals in all post-soviet countries was the most important, it was exactly intellectuals who formed a new elite. However, according to them, this is characteristic only of the transformational period. They will prepare soil for a new class, for which the same intellectuals are also candidates (Konrad, Szelenyj, 1991, 338).

Such evident decrease of intelligentsia’s prestige mainly can be explained by two reasons - changes of values and declaration of intelligentsia role in socio-political life of society. According to the survey data, the most evident shift in values can be noticed in evaluation of high education because it seems that it lost it's exclusive prestige, while ability to earn money became more valuable. Here can be distinguished several factors for such situation: More general factor of them deals with disappearing of exclusiveness of high education as a consequence of increasing general educational level. If to have university education (or even secondary one) in the beginning of the XX century in Lithuania was the extremely rare case and thus a very prestigious thing, nowadays (and especially after the collapse of socialism when instead of only one state university for the whole of Lithuania a lot of universities - state and private - occurred) it is no longer exclusive. Moreover, the function of enlightenment, representation and formulation of the truth gradually loses its significance in accordance with the increase in general educational level and, as Faucault mentions, will finally be disappeared, because there is no need to teach and articulate general truth when almost everybody can do this by himself or herself (Smart, 1985, 67).

However, during the soviet time the very high prestige of new or "working" intelligentsia was strongly ideologically supported, which was based on the general estimation of any intellectual activity. By following their famous strategy to destroy everything old for the creation of something new, communists consequently liquidated the 'old' intelligentsia not only in Russia, but in the all soviet republics, e.g. in Lithuania as far back as 1940, after the Soviet Russian occupation, at first the intelligentsia and bourgeoisie were deported to Siberia as most dangerous 'elements'. Instead of this intelligentsia, communists with the same consequence trained the 'new' one, more adequate for the purposes of communism, with the excellent understanding how powerful can the 'right' knowledge be. This process (as the whole soviet reality), as Mokrzycki pointed out, was based on the scientific theories, ironically by sociology of knowledge that main statement is the social
determination of knowledge. Development of humanity showed, according to the Marxists, the direction of proletariat’s victory, thus - because one knowledge can be better than other one - socialist knowledge is better than bourgeoisie’s one. For this reason, socialist scientists were high valued: what scientists say is truth because it represents the best stage of development. Thus, despite the increase of general educational level, the prestige of intellectual activity remained very high. Consequently, with the collapse of such ideology this abnormal prestige of intelligentsia faced decrease.

Second factor can be found in the inconsistency of educational level and earnings as also a legacy of socialist regime, already mentioned above in the part of analysis of cultural capital. Especially it is still widespread in the state-owned firms and organizations (according to the survey data, in 1993 only 18.2% of intelligentsia worked in the private sphere) that is mainly caused by the poor state budget. The poor better paid wages are the main reason of tendency for intelligentsia to leave previous jobs and look for work. Also such situation deals with the policy of state: education, science, health care and social maintenance, culture spheres (in which intelligentsia are mostly occupied) first faced the reducing of funding from the budget and are the last candidates for privatization. However, Domanski briefly showed the tendency of last years towards growing consistency of education and occupational position with earnings and incomes, as he said, “the college diploma start to profit” and especially in the private sector (Domanski, 1995, 337). Besides, according to data of Lithuanian survey, the lowest rate of unemployment is among people with university education, so higher level of education also help to find job.

The third factor of decrease of prestige of good education deals with the chaos of transformation period, when people without high education (or even without any vocational education) could earn a huge amount of money. The temporary character of such situation can be proved by the fact that university education became valuable again (it can be noticed least by significant increase of number of application to universities last years), while intelligence’ prestige remains in same comparatively low level. One of the reasons is the new requirement of market when professionals with high qualification have more chances to get well paid job. Of course, not all spheres of highest education are of similar importance: the university education in business, finance, bookkeeping management, economy or law are more privileged in the market economy circumstances. As the indirect indicator of such situation can serve the Stankunene findings that most departures of scientists are registered in economics (53,4%), law (52,5%), engineer-technical (35,5%) and social (35,4%) sciences (Stankuniene, 1996, 336). However, this process had crucial impact on the self-identification of former intelligentsia because a big part of people with university education began to identify themselves more with professionals (as well as experts or businessmen) than with intelligentsia.

Another reason of decrease in intelligentsia’ prestige deals with the fact that it is based not only on university education but also on position and functions of this social strata within socio-political structure of society. Thus, it can be supposed that intelligentsia lost previous prestige because its exclusive role within socio-political structure of society declined. First of all it can be noticed that intelligentsia is in its way towards leaving political arena. The importance of their activity in ruling the state decreases significantly: they withdrew into shadow in comparison with the good specialists of banking, of economics and other spheres (the incompetence of
intelligence in these spheres was one of main reasons of ineffectiveness of the first
governments of Lithuania). Secondly, part of intelligentsia was disappointed with
the results of their attempts to make the life of people (for whom they felt
responsibility) better or even with politics at all and retreated from the active
political participation (or some of them formed new opposition). Thus, Lithuanian
intelligentsia “will be assured of continuity leadership only insofar as they become,
on one hand, members of new entrepreneurs class, or professional politicians”, as
Kennedy stated in case of Poland (Kennedy, 1992, 63).

It is more problematic to speak about prestige of entrepreneurs, because there is no
reliable data on such topic. Only the slow rise of prestige of entrepreneurs in
comparison with strong negative attitude in soviet time and first years of
transformation towards such kind of activity can be mentioned. Besides,
entrepreneurs who work in different spheres can be valued differently. For example,
entrepreneurs who have firms in spheres of industry or some services like
consulting, lawyers service or computer maintaining are valued more than who
work in spheres of trade (even distinctions of prestige between these entrepreneurs
are also significant - the bigger prestige is characteristic for entrepreneurs of big or
international or distribution firms, while less prestigious are who have trade firms in
the markets, etc.). However, for more precise estimation it must be done the new
additional research on the changed occupational prestige.

Some preliminary answers can be given by the second source for empirical analysis
of symbolic capital - the subjective evaluation of one’s own position in society.
Generally it is influenced mainly by the received education, incomes, age, etc. In
case of Lithuania, according to Tureikyte, those who feel to have a relatively high
socioeconomic status are people with a higher education, young people with higher
incomes. However, a higher degree of self-estimation is influenced mostly by
incomes (Tureikyte, 1996, 336). Thus, it can be supposed that entrepreneurs are
more likely to estimate their social position as higher, when the biggest part of
members of intelligentsia treat their position quite moderately.

To sum up, it seems that the prestige of intelligentsia and also influence on society
decreased in comparison with new social groups of people who identified
themselves more with professionals or experts and also to people with big amount of
 economical capital and partly to entrepreneurs. This tendency starts from impact on
economic and also on the legislation till shaping the new values, tastes, images, way
of life of people through the choice of wares, advertising, etc. As Taljunaite pointed
out, entrepreneurs as a most mobile group “are becoming the influential social group
utilizing a mixture of material, social and cultural resources of native and foreign
society (Taljunaite, 1997, 46).

On the one hand, it is hard to speak about post-soviet intelligentsia as a relatively (if
we do not take into account the division within the intelligentsia into dissidents and
conformists) homogeneous social group with abnormal prestige as it was in the
soviet time. The most evident change deals with the split between professionals who
lost the privileged position, and the rest part of intelligentsia, that in its turn is
decreasing gradually in number: some of its representatives entered the social
stratum of politicians, some became entrepreneurs, some went abroad. On the other
hand, these members of intelligentsia who succeeded in adapting to new
circumstances and convert or utilize their cultural and social capitals (e.g.
professors, scientists or experts in different fields, etc.) can expect also the rise of
their symbolic capital. However, they became closer not to intelligentsia but to western “knowledge class” which, according to Mokrzycki, is more “amorphous and non-ideological, but a reservoir of competent specialists of all kinds, from national officials to scientists (Mokrzycki, 1995, 345).

Discussion

As it was showed above, entrepreneurs and intelligentsia faced opposite processes: if the social strata of intelligentsia is on its way towards being restructured, the strata of entrepreneurs is growing up in terms of number as well as in the accumulation of all kinds of capitals. However, both of these strata are evidently at the top of hierarchy when unskilled manual workers occupy the opposite pole. According to the data, both of them are the most influential, active and mobile actors in society with the biggest amount of capitals. Even if part of entrepreneurs have a lack of cultural capital, the new tendency shows that they are trying to enlarge this lack of knowledge or fall in the concurrence which became stronger and stronger especially in small trade firms. The same process can be noticed in intelligentsia, when the most active and initiative people are trying to convert their cultural capital into economic one and they are, according to Domanski, more successful in this in comparison with other strata. Even if symbolic capital of large part of intelligentsia decreases, these people still have more favorable conditions in comparison with manual workers. Consequently, the question arises - are these two strata (in case of intelligentsia - the part of it) the first potential groups to form the middle class and how homogeneous this class will be.

If we look at the works of sociologists, we can notice a rather vivid debate on entrepreneurs in this respect over during past two decades. The main issue was that the entrepreneurs represent a divergent class position in contemporary society as compared with old petit-bourgeoisie, like bakers, blacksmiths, etc. According to Nikula (1995b, 39), the traditional Marxist position was that entrepreneurs represent a kind of temporary or transitory stratum that will disappear along with the monopolization and concentration of productive capital. The second position (Bechofer, Elliot and Wright) is that they stand outside the contemporary class structure, dominated by the proletariat and bourgeoisie. And the third stand-point is that entrepreneurs are a “part-and-parcel of the emerging service society” in which they together with certain occupational wage-worker groups, like professionals are forming a part of the new middle class (Scase and Goffee, 1982, 5).

However, in post-socialist countries there is tendency, as Mokrzycki emphasizes, to identify the new middle class only with new entrepreneurs and owners in order to support market reforms while the intelligentsia is fully ignored as anachronistic social group. Such point of view does not take into account that in modern countries the middle class space between the bourgeoisie and workers started being filled with a growing number of new groups - representatives of well educated and efficient “managers, technicians, administration employees, scientists, specialists of various kinds and other hired employees with the highest qualifications” (Mokrzycki, 1995, 223). Thus, according to Mokrzycki, the more real basis of new middle class as a main supporter of democracy and market economy in post-soviet countries is intelligentsia even if it became restructured at least by the reason that owners’ “class” “is unable to articulate its interests and does not show any particular
preferences for liberal values” (Mokrzycki, 1995, 237). On the other hand, according to this point of view, the new entrepreneurs are identified with the petit-bourgeoisie, when Scase and Goffee argue on their distinctiveness. Besides, from the Lithuania data it appears that these new entrepreneurs similarly to intelligentsia strongly support the course towards democracy and especially economic reforms. Thus, it seems that in post-socialist Lithuania both of these groups are more likely to form a part of the new middle class. Besides, they have some similarities - the former intelligentsia forms the significant part of entrepreneurs. The majority of entrepreneurs who in 1993 were under 25 earlier was in position of managers or worked in science institutions or in usual intelligentsia occupations that also was confirmed by findings of Slomczynski in Poland and Stankuniene in Lithuania. If to look at the Wesolowski’s typology in which he has proposed that there are five different types of sources of new entrepreneurship in most post-socialist countries almost three positions are dealing with intelligentsia as a source of new entrepreneurship. First source is dealing with “nomenclature past”. In this case entrepreneurship is built on the connections and know-how which were created during socialism, so there is question about the transformation of social (political) capital into economic one (Wesolowski, 1996, 86). Besides, such entrepreneurs, at least in the former Soviet Union have university education mainly in economics (thus they had more useful information and knowledge), because otherwise they could not occupy the managerial (especially higher) post under the late socialist regime. However, during first stage of transformation not only educational level of new entrepreneurs was important, but also economic capital accumulated during the last years of perestroika and further in privatization process in which mostly rich people and who had information benefited. Wesolowski also pointed out, that in case of “nomenclature past”, a part of previous state-owned firms is privatized by new entrepreneur, who has had a managerial or professional post in the firm (Wesolowski, 1996, 86). Data which was analyzed above also confirms that one of the basic factors for occupying higher social position in post-socialist society, especially in case of entrepreneurs, is power resources that derived from people who occupied a strong position in the old soviet system, because people with great amount of financial, social and/or cultural capital resources can be more successful in new economical conditions. Thus, as a rule, such entrepreneurs from early beginning of transformations had better business position (in large-scale industry and wholesale trade) than whose who started on their own initiative without any predecessor.

If we follow further Wesolowski’s typology of source of entrepreneurship, the second source is the current “experts” as owners of various consultation firms. These consulting firms employ people with high professional qualification like lawyers and economists, former legal advisers from state firms, professors of economics etc. In this case, these “experts” fruitfully utilize their high amount of cultural capital to convert it into economic one. The same previous high education but mainly in the technological area is also characteristic for the third source which is formed, according to Wesolowski, by the inventors whose creativity of new products and technologies is a foundation of one’s own firm. However, these two groups in Lithuania at least in 1993 was small and not so influential categories for the developing entrepreneur’s social strata as in Poland. From other side, such categories have (if to look at the tendencies of high industrialized countries) a great
potential to became more numerous and powerful in further development of market economy. Besides, it is evident from these cases of experts and inventors that the personal initiative (even if it is “forced”), flexibility and ability to take risk is also very important in profitable converting of their cultural capital. Thus data confirms the preliminary hypothesis that high educational level is not enough for success in new economical conditions and it is true not only in case of experts or inventors but in the situation of whole intelligentsia.

The fourth source of entrepreneurship, according to Wesolowski, is personal energy and talent of “self-made man group”. The background of this kind of entrepreneurship is usually small trade, activity in shadow economy or connections from abroad. As many of such entrepreneurs say, they just “knew in time how the how the wind blew”. They have been through all the ordeals of small business such as cooperatives, kiosks, trade in spirits, cigarettes and metals, thus they know well the specific of post-soviet market and it’s not unlikely that they are familiar with criminal structures of black market. Alongside with such experience, wealthy family and peculiar expansion of social capital to encompass travel opportunities and familiarity with the capitalist world also played, according to Wesolowski, an auxiliary role (that was fully confirmed by the data from Lithuania survey). However, if in Poland (and also in Latvia and especially in Estonia) most of such new entrepreneurs have higher education, in Lithuania this group is mainly consisted by young (under 25 years old) with secondary but without any vocational education men. Despite the lack of high education these people quite succeeded in first years of transformation, when an unlimited demand provided the fruitful soil for their accumulation of financial capital.

The last source, which is mentioned by Wesolowski, is organic growth of private firms, which already exist under the socialist regime. However, in Lithuania even during the perestroika time the business activity was only semi legal, so this kind of source is not so important than in Poland, where, according to Domanski, such activity was alive even if several decades witnessed the supremacy of the private entrepreneurs outside agriculture which was not collectivized as in former Soviet Union (Domanski, 1995, 340). Thus it can be said that the data of Lithuania in general (with exception of the last source) proved Wesolowski’s theoretical proposal of five types of resources of entrepreneurship and also shows the ties between both groups of entrepreneurs and intelligentsia. Moreover, it shows how new entrepreneurs are different from the old petit-bourgeoisie in the infusion of modern knowledge into many jobs and activities of small and especially big entrepreneurs. Correspondingly, it declines the some prognosis that market economy in post-socialist countries will repeat its development in western countries.

However, it is really hard to speak about homogeneity of emerging middle class. First of all entrepreneurs and intelligentsia as social strata still are quite different in their world perception, cultural consumption and life style. If for entrepreneurs the aim to improve their financial situation and to accumulate economical capital is more characteristic, for intelligentsia, according to Wesolowski, - “the acquisition of important positions by means of expanding their knowledge and improving their expertise” and the most valuable forms of intellectual improvement are “the creation of new knowledge and its application leading to technological inventions, the improvement of social institutions and the enrichment of society’s spiritual culture” (Wesolowski, 1996, 94). Besides, intelligentsia have quite expressed ethos
and their social image (or in Bourdieu terms - habitues) even if it faced some transformations, while entrepreneurs have yet to form their one because old traditions have disappeared and new one are just at the beginning of formation (in Lithuania there are no such unite features of thinking and behavior or even dressing as it can be observed in so called “new Russians” entrepreneurs). However, for the more detailed analysis of these differences the new and more value oriented research need to be conducted with the goal to look at the changes since 1993 and to discover new tendencies.

In conclusion we can say, that in Lithuanian case both entrepreneurs and restructured intelligentsia (or new emerging knowledge class) are the most potential actors to form the new middle class. However, it can be supposed that they will have different interests and will form two separate segments of middle class. In this respect it is difficult to speak about middle class as a real “class” with the common interests, consciousness and prevalent capital resources. It seems that it is more theoretical concept to mark the space between upper and lower class, or, as Mokrzycki it called, it is more “ideological artifact” or “a statistical category” (Mokrzycki, 1995, 232). In such context, the Bourdieu’s concept of different social fields there seems to be more relevant. However it is still hard to make some final prognosis (if it is possible in any case) because both these strata are still very fluid, someone who today is among intelligentsia, tomorrow can open his or her own firm, while nowadays entrepreneur can be not successful it his or her business and to return to previous profession or even to be pauperized. Any way it can be supposed that in turn both these social strata will tend to make their boundaries closer in accordance with homogenization and also disintantion from other social strata.

Conclusions

Analysis shows that entrepreneurship in Lithuania is just in the beginning of formation and stabilization. Most of the firms in Lithuania are new, very small and are based on their owners’ own financing, besides the circumstances for business are very uncertain - undeveloped legislation and lack of financial and technical basic necessities. But this situation and the problems that entrepreneurs are no surprise, because these are quite common features to all “transition societies” (Nikula, 1995, Wesolowski, 1995).

Despite that, the financial situation of entrepreneurs is better than of all others social strata with the inclusion of intelligentsia too. The becoming an entrepreneur was influenced by the internal qualities of person - the personal initiative, the possibility of autonomous decision making and responsibility as well, as the capability to risk. Others basic factors for success in post-socialist society, especially in case of entrepreneurs, are power resources that derived from people who occupied a strong position in the old soviet system. At this aspect the higher social position of the entrepreneurs was influenced by their useful skills, information and social connections with the right people in Lithuania and in abroad too, that is confirmed by the fact that part of previous state-owned firm is privatized by new entrepreneur, who has had a managerial or professional post in the firm (Nikula, 1995). In this case it is the question of the transformation of social (political) capital into economic one.
On the other hand, it is not easy to speak about homogeneous group of entrepreneurs, because as we can see from our survey data, there are different levels between them: only minority of entrepreneurs have the largest income and other power resources, while majority is small businessmen, predominantly young but very initiative and orientated to independence and control of work process. Other difference deals with cultural capital, because those entrepreneurs who have university education are active in the political and social life and are predominantly representatives of big business (in case of former or new educated nomenclature) or consulting firms (in case of scientists, former professors, etc.). The same phenomenon of differentiation can be observed also in intelligentsia. However, the causes are rooted in different process of restructuring of former intelligentsia: one part succeeded to adapt new environment (mostly with higher education in law and economics) while other experienced worsening of their financial situation and also decrease of prestige. This situation can be explained by complex of reasons such as declining need for the intelligentsia’s function to articulate the ‘truth’ and the insufficient competence of intelligentsia to perform the role of politically leading and also exaggerated prestige of the specialists in the social regime in accordance to the diminishing prestige and status of science as such as well as the governmental policy depreciating the role of science in socio-economical development of the country. Also the materially directed characteristics of capitalist order take place in the restructuring process of intelligentsia.

The members of intelligentsia who succeeded to convert their cultural capital into economic one mostly became entrepreneurs, entered the political strata (or state or municipality staff) or remain in the intellectual activity and are in a way of formation of so called “knowledge class”. In this case it is evident that not only high education but also the personal initiative, autonomous decision making, responsibility and the ability to risk as well as access to useful information (or useful in new conditions knowledge) and social connections with the right people in Lithuania and in abroad are necessary too. Besides the numerous departures from intelligentsia social strata in turn will decrease mainly by the fact, which Domanski emphasized, that university education begins to profit.

According to the data, entrepreneurs and intelligentsia are evidently at the top of hierarchy when unskilled manual workers occupy the opposite pole. Both of these social strata are the most influential, active and mobile actors in society with the biggest amount of capitals. As such entrepreneurs and restructured intelligentsia (or new emerging knowledge class) are the most potential actors to form the new middle class. But it can be supposed that this middle class at least in the beginning will not be homogeneous, because entrepreneurs and intelligentsia are likely to have different interests and so to form two separate segments of middle class. However, it is only one of possible tendencies because there is no the definite answer: the restructuring process of society is far from the being finished and all groups are still very fluid.
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TRUST AND OTHER MANAGERIAL VALUES IN LATVIA

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Introduction

Successful transition from one social, cultural and economic system to another requires widespread changes in critical individual and organizational values as well as changes to institutions and economic policies. As politically difficult to effect as the latter changes may be, it is the former changes—in the hearts and mindsets of many key individuals in a society, and in the cultural underpinnings of organizations within that society—that are important. These changes may advance or delay successful transition because of the impact values can have on individual behavior and organizational performance.

Fukuyama (1995) identifies trust as an important component of the social capital which supports the creation of prosperity in highly productive societies. Geciene (1997) discusses mutual help in resolving various problems in communal settings as the essence of social capital in Lithuania. Trust, cooperation, and other personally and organizationally held values that help make things work are likely to be pivotal to the success of Latvian transition.

An important Australian study of values and organizational change (Kabanoff, et al., 1995) suggests strongly that the type of organization seeking change respond differently to various clusters present. This study explores structural and process relationships where power may equal or unequal, in equitable and egalitarian situations. It reports that elite cultures have a strong top-down flavor. Leadership organizations are compliance oriented: employees are guided and encouraged to change requirements. In meritocratic organizations, where a whole range of values are important, there is an even greater emphasis on motivating employees to change.

In organizations of the collegial type, only the participative, normative, and affiliative values seem to be important in change processes.

The need for increased trust is recognized in several studies analyzed by Mayer et al. (1995). Although several definitions of trust are noted, they appear to lack clarity even as the “willingness to take risks may be the common aspect of all trust situations”. “It is suggested that trust should not be confused with related concepts as cooperation, confidence, and predictability.

Trust is an important element of behavioral studies reported by Hosmer (1995) linking individual actions (optimistic expectations, non-rational behavior; interests of the trusting person). These aspects suggest that in interpersonal relationships there is an implicit promise from one person not to bring harm to the other. The value of trust in economic transaction is seen as improving rational behavior constrained by contracts and controls. Finally, there is a recognition that in social structure analysis, trust increases cooperation and socially rational behavior. Generally, trust is associated with willing cooperation and benefits resulting from
this cooperation. Although it is associated with the duty to protect the rights and interests of others, it is difficult to enforce.

As much as trust is related to right, just and fair behavior, reference to ethical principles relevant to particular societies is important. Hosmer enumerates ten different ethical principles:

Self-interests (Protagoras and others); personal virtues (Plato and Aristotle); religious injunctions (St. Augustine); government requirements (Hobbes and Locke); utilitarian benefits (Bentham and Mill); universal rules (Kant); individual rights (Rousseau and Jefferson); economic efficiency (Adam Smith), distributive justice (Rawls); and contributing liberty (Nozick).

Trust is a factor considered in risk management preferences in economic analyses of transaction cost reduction. In the studies reported by Ghoshal & Moran (1996), the logic found in the models of transaction cost theory cannot be easily integrated with other approaches to increase the effectiveness of social capital. Studies reviewed by Chiles and McMackin (1996) view trust as a factor reducing transaction costs, for example, when trust is helpful to simplify contractual relationships in business. This paper summarizes the state of transition in Latvia in relation to values such as trust, cooperation, honor and aggressiveness, using illustrative data from a series of studies of managerial values in the Baltic states begun in 1990 (Barnowe, King & Berniker, 1992; King, Barnowe & Berniker, 1992; King, Barnowe & Bankovskaya, 1994; Barnowe & King, 1997). It discusses how these values may impact the success of institutional changes now being attempted in Latvia, and offers a model for human resource development during the transition process.

**Latvian Values in Transition**

Managers’ values in Latvia have been affected by years of political and economic insecurity under Soviet rule, as well as by the bureaucratic controls and paternalism of comprehensive Soviet management systems. In response to years of Soviet control, mutual trust yielded to fear and distrust even in families. Matlock (1997), noting this recent historical context, argues that the biggest problem in Latvia today is “dealing with the mentality of the past.”

Experiences with change since 1990 have not always fostered the development of trust, cooperation, or even hopes for a better future. The early days of the country’s transition were marked by little progress, much disappointment, and low levels of trust. Much of Latvian society was confused and passive, with no obvious directions available to plan a market economy on the foundations of the Soviet system. Government, including enterprises owned by the state, was seemingly paralyzed; reforms moved at slower pace than in the other two Baltic states (Lieven, 1993). Managers whose values were inherited from the Soviets were perceived as a “herd of expensive and useless white elephants” incompetent to deal with the new environment and change. Glorification of conformity, pervasive secrecy, and a low level of self-confidence and responsibility prevented the formation of close personal ties and new support systems. Without such ties, the absence of widely shared values produced manipulators without conscience. Dishonesty was socially tolerated. On the whole, Latvia since the Soviet collapse has lacked a firm foundation of values for good performance in a market economy.
Profiles of Value Patterns from Six Surveys

Between 1990 and 1997, six surveys of managers and management students have been conducted in Latvia, involving the following groups: (1) Executive trainees at the Postgraduate Division of Riga Technical University, 1990, henceforth the “RTU Survey.” (2) Russophone managers in Riga and Daugavpils, 1992, henceforth the “Russophone Managers.” (3) Managers enrolled in the MBA program of the Riga Business School at the Riga Technical University, 1996, henceforth the “RBS MBAs.” (4) Civil Service Officer candidates at the Latvian School of Public Administration, 1996, henceforth the “Public Administration Survey.” (5) New undergraduate students at the Riga Branch of the Stockholm School of Economics, 1997, henceforth the “SSER Students.” (6) Graduating seniors of the Riga Branch of the Stockholm School of Economics, the pioneer class of 1996, henceforth the “SSER Graduates.”

Each survey collected data concerning personal value systems using England’s (1975) Personal Values Questionnaire (PVQ, 66 items). This instrument has been administered in a number of countries, and allows calculation of each respondent’s primary value orientation and the relative potency of individual value constructs. (See King et al., 1992 for a discussion of this instrument and computation of scores).

Nine rationally derived indexes were constructed from operative value scores to capture patterns of value linkages and to measure value cohesion (developed in Barnowe & King, 1997). A high score indicates values more likely to impact behavior. These pattern indexes and the items which comprise them are: (1) Personal Achievement (Achievement; Success; Creativity; Autonomy; Ability; and Individuality); (2) Organizational Performance (Profit Maximization; High Productivity; Competition; Organizational Efficiency; Organizational Growth; and Industry Leadership); (3) Intrinsic Satisfaction (Job Satisfaction; Dignity; Honor; Rational; and Emotion); (4) Extrinsic Satisfaction; (5) Organizational Relationships; (6) Change; (7) Exercise of Authority; (8) Compliance to Authority; and (9) Social Conscience.

Primary value orientations of respondents in each sample are reported in Table 1, along with comparative data from other Baltic states and from other countries. Many of the respondents had a mixed primary value orientation; in four of the seven groupings, a mixed orientation was modal. Strong patterns (62% moralistic among Russian civil servants, and 62% pragmatic among SSER graduates) are seen only in very small samples. If these two samples are disregarded, the pattern is not one of high pragmatism, at least compared to data from Estonia and from a number of western and Asian countries reported in the lower part of the table. Value profiles for most of the Latvian samples do not greatly resemble profiles from fully developed economies, nor do they greatly resemble profiles from developing countries on which comparative data are available. More recently sampled groups are more pragmatic than the earliest group (RTU managers). Russophone managers and SSER undergraduates had the most pragmatic value profiles.
**TABLE 1**

**Baltic Managers' Primary Value Orientations and Comparative Data from Selected Developed and Developing Countries**

<table>
<thead>
<tr>
<th>Sample (N)</th>
<th>Pragmatic</th>
<th>Moralistic</th>
<th>Affective</th>
<th>Mixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data from samples in Latvia:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvian managers (RTU, N=44)</td>
<td>16%</td>
<td>30%</td>
<td>9%</td>
<td>46%</td>
</tr>
<tr>
<td>Russophone managers (N=200)</td>
<td>36</td>
<td>30</td>
<td>8</td>
<td>26</td>
</tr>
<tr>
<td>MBA students (RBS, N=43)</td>
<td>28</td>
<td>23</td>
<td>7</td>
<td>42</td>
</tr>
<tr>
<td>Latvian civil servants (N=92)</td>
<td>28</td>
<td>25</td>
<td>12</td>
<td>35</td>
</tr>
<tr>
<td>Russian civil servants (N=16)</td>
<td>19</td>
<td>62</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>Graduating seniors (SSER-Riga, N=8)</td>
<td>62</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>New undergraduates (SSER-Riga, N=48)</td>
<td>33</td>
<td>12</td>
<td>10</td>
<td>44</td>
</tr>
</tbody>
</table>

Comparative data from Baltic countries:  

<table>
<thead>
<tr>
<th>Sample (N)</th>
<th>Pragmatic</th>
<th>Moralistic</th>
<th>Affective</th>
<th>Mixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonian managers (N=35)</td>
<td>49%</td>
<td>23%</td>
<td>0%</td>
<td>29%</td>
</tr>
<tr>
<td>Lithuanian managers (N=32)</td>
<td>6</td>
<td>41</td>
<td>25</td>
<td>28</td>
</tr>
</tbody>
</table>

Comparative data from other countries:  

<table>
<thead>
<tr>
<th>Country</th>
<th>Pragmatic</th>
<th>Moralistic</th>
<th>Affective</th>
<th>Mixed</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>57%</td>
<td>30%</td>
<td>1%</td>
<td>11%</td>
</tr>
<tr>
<td>Canada</td>
<td>38</td>
<td>35</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td>Australia</td>
<td>40</td>
<td>40</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>India</td>
<td>34</td>
<td>44</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>Japan</td>
<td>67</td>
<td>9</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Korea</td>
<td>53</td>
<td>9</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>China</td>
<td>53</td>
<td>10</td>
<td>11</td>
<td>26</td>
</tr>
</tbody>
</table>

a Barnowe et al., 1992  

b England, 1975

Two index scores stood out as most operative: Personal Achievement and Organizational Performance, with Intrinsic Satisfaction third highest on most samples. On six of the nine indexes, there were only slight to modest differences between samples: Personal Achievement, Intrinsic Satisfaction, Extrinsic Satisfaction, Organizational Performance, Organizational Relationships, and Social Conscience. On three of the indexes there appeared to be substantial differences between samples, making it harder to identify a Latvian profile: Change, Exercise of Authority, and Compliance to Authority. The latter two indexes had on average the lowest scores in these six studies, while change was a more operative value particularly for the small samples of SSER graduates and Russian civil servants (for other groupings, scores on the Change index were near the middle of the scale).

Table 2 lists the top ten operative values (out of 66 PVQ values) for each sample. The highest ranking (most operative) value across all samples was Ability, ranked from first to seventh across all samples.
Table 2
HIGHEST RANKING VALUES PLUS KEY VALUES FOR TRANSITION AMONG DIFFERENT SAMPLES

<table>
<thead>
<tr>
<th>Value Rank</th>
<th>RTU managers</th>
<th>Russophones</th>
<th>RBS MBAs</th>
<th>Latvian civil servants</th>
<th>Russian civil servants</th>
<th>SSER graduates</th>
<th>SSER Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Skill (3.71)</td>
<td>Profit maximization (3.64)</td>
<td>Subordinates (3.44)</td>
<td>Ability (3.43)</td>
<td>Organizational efficiency (3.62)</td>
<td>Cooperation (4.00)</td>
<td>Achievement (3.58)</td>
</tr>
<tr>
<td>2</td>
<td>Ability (3.63)</td>
<td>Ability (3.63)</td>
<td>Cooperatio n (3.36)</td>
<td>Skill (3.42)</td>
<td>Skill (3.62)</td>
<td>Me (4.00)</td>
<td>Success (3.26)</td>
</tr>
<tr>
<td>3</td>
<td>High productivity (3.63)</td>
<td>Skill (3.61)</td>
<td>High productivity (3.63)</td>
<td>Ability (3.46)</td>
<td>Ability (3.71)</td>
<td>Individualit y (3.15)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Honor (3.50)</td>
<td>High productivity (3.51)</td>
<td>Organizational efficiency (3.29)</td>
<td>Subordinates (3.18)</td>
<td>Cooperation (3.38)</td>
<td>Organizational efficiency (3.57)</td>
<td>Skill (3.12)</td>
</tr>
<tr>
<td>5</td>
<td>Profit maximization (3.50)</td>
<td>Employee welfare (3.50)</td>
<td>Ability (3.24)</td>
<td>Job satisfaction (3.17)</td>
<td>High productivity (3.38)</td>
<td>Autonomy (3.43)</td>
<td>Competitio n (3.11)</td>
</tr>
<tr>
<td>6</td>
<td>Cooperation (3.42)</td>
<td>My co-workers (3.50)</td>
<td>Individuality (3.24)</td>
<td>My co-workers (3.12)</td>
<td>Honor (3.31)</td>
<td>Creativity (3.43)</td>
<td>Creativity (3.11)</td>
</tr>
<tr>
<td>7</td>
<td>My co-workers (3.38)</td>
<td>Organizational efficiency (3.49)</td>
<td>Trust (3.24)</td>
<td>Employees (3.12)</td>
<td>Dignity (3.23)</td>
<td>Individuality (3.43)</td>
<td>Ability (3.04)</td>
</tr>
<tr>
<td>8</td>
<td>Organizational efficiency (3.33)</td>
<td>Autonomy (3.46)</td>
<td>Achievement (3.16)</td>
<td>Cooperation (3.10)</td>
<td>Government (3.23)</td>
<td>Subordinates (3.43)</td>
<td>Cooperation (3.04)</td>
</tr>
<tr>
<td>9</td>
<td>Employee welfare (3.33)</td>
<td>Organizational stability (3.38)</td>
<td>Customers (3.16)</td>
<td>Profit maximization (3.08)</td>
<td>Profit maximization (3.23)</td>
<td>Trust (3.43)</td>
<td>Rationality (3.00)</td>
</tr>
<tr>
<td>10</td>
<td>Industry leadership, Managers (3.21)</td>
<td>Cooperatio n (3.38)</td>
<td>Employees, Honor (3.16)</td>
<td>Autonomy, My boss (3.07)</td>
<td>Rationality (3.23)</td>
<td>Authority, High productivity, Honor, Risk (3.29)</td>
<td>Me, Profit maximization (2.96)</td>
</tr>
</tbody>
</table>

Note: Value ranks are based on operative value mean scores. Mean scores are given in parentheses after the value name.

Skill was a close second. Only for SSER graduates (for whom it was 21st) was skill not ranked in the top four positions. Organizational Efficiency was a top-ten value in five of the samples; only Latvian civil servants and SSER undergraduates ranked it lower (18th and 20th, respectively). Profit Maximization was also a top-ten value in five samples; only RBS MBAs and SSER graduates ranked it lower (30th, 33rd). High Productivity was a top-ten value in four of the samples; RBS MBAs, SSER graduates, and SSER undergraduates ranked it lower (14th, 11th, 16th). Three values, Individuality, Subordinates, and Coworkers, were top-ten values in three samples. Employee Welfare, Autonomy, Achievement, Me, and Creativity were top-ten values in two samples.
Cooperation was a top-ten value in every sample. Trust was a top-ten value for RBS MBA students and for the small sample of SSER 1996 graduates, and ranked in the top third of 66 values in every other sample except the 1992 Russophones (who ranked it very low); SSER undergraduates ranked it 24th. Honor was a top-ten value for the RTU 1990 sample, for RBS MBA students, for Russian civil servants, and for SSER graduates; it was ranked fairly high by Russophones and Latvian civil servants, and toward the middle of all values (27th) by SSER undergraduates. Table 3 shows additional rankings of operative value scores for Trust, Cooperation, Honor, and Aggressiveness in the different samples. The rankings for Trust and related values suggest a movement to higher trust levels, except among Russophone managers. The very low rankings for Aggressiveness may simply reflect how offensive this value is in a culture characterized by passivity.

<table>
<thead>
<tr>
<th>Sample</th>
<th>Trust</th>
<th>Honor</th>
<th>Cooperation</th>
<th>Aggressiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTU managers</td>
<td>18th</td>
<td>4th</td>
<td>6th</td>
<td>57th</td>
</tr>
<tr>
<td></td>
<td>(2.96)</td>
<td>(3.50)</td>
<td>(3.42)</td>
<td>(1.61)</td>
</tr>
<tr>
<td>Russophones</td>
<td>62nd</td>
<td>12th</td>
<td>10th</td>
<td>58th</td>
</tr>
<tr>
<td></td>
<td>(1.56)</td>
<td>(3.33)</td>
<td>(3.38)</td>
<td>(1.66)</td>
</tr>
<tr>
<td>RBS MBAs</td>
<td>7th</td>
<td>10th</td>
<td>2nd</td>
<td>64th</td>
</tr>
<tr>
<td></td>
<td>(3.24)</td>
<td>(3.16)</td>
<td>(3.36)</td>
<td>(1.76)</td>
</tr>
<tr>
<td>Latvian civil servants</td>
<td>20th</td>
<td>18th</td>
<td>8th</td>
<td>66th</td>
</tr>
<tr>
<td></td>
<td>(2.77)</td>
<td>(2.78)</td>
<td>(3.10)</td>
<td>(1.55)</td>
</tr>
<tr>
<td>Russophone civil servants</td>
<td>17th</td>
<td>6th</td>
<td>4th</td>
<td>62nd</td>
</tr>
<tr>
<td></td>
<td>(3.00)</td>
<td>(3.31)</td>
<td>(3.38)</td>
<td>(1.75)</td>
</tr>
<tr>
<td>SSER graduates</td>
<td>9th</td>
<td>10th</td>
<td>1st</td>
<td>47th</td>
</tr>
<tr>
<td></td>
<td>(3.43)</td>
<td>(3.29)</td>
<td>(4.00)</td>
<td>(2.33)</td>
</tr>
<tr>
<td>SSER students</td>
<td>24th</td>
<td>27th</td>
<td>8th</td>
<td>46th</td>
</tr>
<tr>
<td></td>
<td>(2.56)</td>
<td>(2.52)</td>
<td>(3.04)</td>
<td>(2.11)</td>
</tr>
</tbody>
</table>

**Transition Patterns**

Transition progress depends upon processes where new ideas, knowledge, human resource development initiatives, and operating systems can be integrated. It requires skillful juggling of values, knowledge, and institutional components as new integrated systems emerge. Patterns of interrelationships between value adoption and institutional changes are shown in Figure 1.
The vertical axis shows a continuum of social and cultural change which involves the acquisition and adoption of new values and skills. Change may be thought of as an interaction between the two, with value modifications following educational processes. At the lowest level on this axis (A), value changes have not yet begun to occur. As managers perceive the need to change, they begin to seek new formulae or specific detailed prescriptions for success in a market economy. When they find that superficial learning is inadequate, they pursue more sophisticated and more comprehensive educational requirements and experiences (C). The highest level on the vertical axis (E) represents situations where new thinking is prevalent, new knowledge is fully absorbed, and new values effectively integrated with earlier mindsets and previously acquired knowledge. It is at this level that managers are prepared to deal with any new discontinuity which would require brand new assessment of values and skills.

The horizontal axis is a continuum of change in technological and operational systems and institutional change. Such changes include the adoption of new knowledge in operating systems, engineering and sciences, new organizational structures and relationships, capital injections, and new applications of information technology, best labeled as organizational “re-engineering.” The departure point (1) is the point at which no institutional change has occurred. At the midpoint (3), changes are substantial enough to require measurable new skills and at least an orientation to the workings of a market economy. On the most advanced level (5), most adjustments for institutional functioning in the new environment are complete and ready for a new cycle of improvements.
“Laggards” in Figure 1 are managers who were educated and became experienced under Soviet rule. Although informed about proposals leading to change, they are inclined simply to reject them as not needed. “Losers” are managers who, based upon their education and experience, persist in the belief that all transition problems are technical, and are solved by “rational,” pseudo-scientific processes. They conceive solutions as the financing and installation of technology with little regard for anything else. Most isolated investments in technology, without cultural and organizational matches, are doomed to repeat the Soviet development experience. “Learners” are managers who are intrigued with knowledge of ways new and foreign, and are motivated to explore, resolve, or at least reconcile value and other conflicts, reaching point D3 in the model. “Leaders” are managers who are able to fully integrate new knowledge and cultures with modified or new operating systems. They are characteristically found in international firms or joint ventures with multicultural management teams and innovative designs, policies and operations. Their market-oriented training and technical expertise enables them to reach point E5 in the model.

Field observations, interviews and reports in the media show that few managers in Latvia have reached E5 in this model. Groups with the most recent voluntary educational experience are more oriented to learning and are more inclined to value changes, but the lack of integration between values, social change, and technical and operational systems in Latvian society to date means that even learning-oriented managers have difficulty advancing to the critical transition midpoint, C3.

Survey results from Latvian executives training at RTU shortly after independence did not hold strongly to any particular value pattern. Looking for direction and instruction, they represent an A1 to B2 transition pattern. Russophone managers, sampled after several years of exposure to transition, are still in pattern A1 or A2. They appear to be using their skills and experience to perpetuate what is essentially the old Soviet system of connections in the former Soviet Union and related technical orientation, useful in maintaining Latvian trade with the East. Their distrust seems to be the most important factor holding them to obsolete ideas and systems.

Managers in the RBS MBA program were the first group sampled with an investment in learning English and modern business. Of all sampled groups, they have the strongest commitment to integrated learning and system change. Their transition patterns may be said to range from C2 to C4, bracketing the midpoint C3. Leaders among them are moving into D4 positions.

The public administrators surveyed have diverse orientations to change. Most Latvian civil servants have been exposed to short, mandatory training programs provided by suppliers and friendly agencies in the West, but remain victims of very slow change in legal and operating systems. Although Latvian civil servants are oriented to the direction provided by political leaders in the government, Russian civil servants may prefer a niche of professional and technical expertise to undertaking major changes. Most administrators appear to be at point B2 in the model.

The new SSER students show a very strong orientation to learning. With specially cultivated industry contacts and internship assignments, they appear ready to move to E2 and E3 positions upon graduation. In comparison, the small group of recent graduates are even more confident in their roles as future managers. Neither SSER
group has much familiarity with operating systems, and neither shows much interest in changing them. They have strong international interests, and their values—at variance with those held by most Latvian managers—are probably subject to change. Those who land in enterprises which resist change may regress to earlier transition patterns. Those employed in western joint ventures may find their values reinforced by the work environment, and gravitate toward E2 to E5 transition patterns.

**Stable and Dynamic Values Underlying Transition**

Compared to RTU managers sampled in 1990, Latvian managers and administrators sampled more recently show a somewhat more pragmatic primary value orientation. The very small, possibly unrepresentative sample of graduates from the SSER was as pragmatic as any reported from other countries. Time will tell whether this signals a major shift in values for newer generations. A number of values are consistently operative across most samples, and in this sense are stable: Ability, Skill, Cooperation, Organizational Efficiency, High Productivity, and Profit Maximization. The stability of these values does not necessarily show a commitment to a market economy or to a civil society, but may simply demonstrate an interest in learning and self-improvement. At worst, these values may even serve to perpetuate Soviet institutions. It is possible that managers who are ready to learn and do well, by invitation or on their own, readily subscribe to values like these because of the content and learning processes in the education and training they have experienced.

Cooperation as a value may have been confusing to many respondents. In the Latvian context, Cooperation has a connotation of mutually beneficial help and collaboration. The term itself can be uncomfortably close in meaning to the older Soviet institutions of collective farming and to the more recent use of cooperatives as euphemisms for private enterprise. In parallel with strong values for Cooperation, there was a shift in more recent samples toward values of more individualistic leaders: Individualism (including Me), Subordinates (perhaps reflecting paternalistic or consultative responsibility), Creativity, Honor (including responsibility), Trust (mostly related to concepts of credibility).

The persistently low scores for Aggressiveness may indicate that although the word has no positive connotations in translation, it may also suggest a prevailing social preference for the opposite of active behavior. Thus, “aggressive marketing” may be understood as “(intolerably) pushy selling.” In practice, aggressive behavior in Latvia is often toned down, softened, or laced with humor. Avoiding discussion of unpleasant issues (including some aspects of change), suppressing expressions of conflict, lying low or accepting orders from above without stated opposition seem to be more acceptable attitudes. Without official encouragement or a critical mass of their own, many leaders in this passive society may find it a great challenge to be a dynamic force in the Latvian transition. They may find their climb to an E5 pattern difficult.

Findings with regard to the index scores for Personal Achievement and Organizational Efficiency, and Intrinsic Satisfaction suggest that Latvian transition is keyed to values highly compatible with education, training, and a market orientation. Lower scores for Social Conscience are more of a concern. Managerial
prudence dictates a greater sensitivity to the dynamics of social issues and relationships generated at a time of transition.

**Trust and Distrust**

Trust, Honor and Cooperation are values critical to progress in Latvian transition, and fundamental to the evolution of ethical behavior in Latvia. They are in flux as Latvian society struggles to settle upon social relationships and mindsets somewhere between the high credibility, exceptional honesty, and neighborly help found in Scandinavian societies and the infamous corruption found in Russia. In Latvia, Trust, Honor and Cooperation focus on credibility, honesty, and open help for mutual benefit. Credibility has connotations of verifiable truth, reliable performance, and closeness of relationships among members of family and lifetime friends. Honor is not so much a confirmation of public recognition and rewards as the realization of an obligation to do the right thing—of mutual, unselfish assistance—even to personal disadvantage.

Honor was rated highly by executives at RTU just before the explosion of criminal activity and corruption followed the disintegration of the relatively stable economic relationships under the Soviet rule. The relatively low ranking of this value (27th) by SSER students indicates that traditional influences of home and traditional schools may have been inadequate in shaping the ethics of these young professionals. The prominence of Cooperation, ranked 1st and 2d by SSER graduates and by graduate students of the RBS, may be more indicative of an acknowledgment of the importance of teamwork than anything else. The development of beliefs in and skills related to teamwork is important to managers in Latvia where organizational relationships are linked to managerial and professional authority, and are reinforced by rituals rather than open dialogues.

Distrust in Latvia is a function of four major influences: (1) Residual fear of Russia; (2) apprehension about changed political and power roles in Latvian and Russophone relations following restoration of Latvian independence; (3) insistence on Latvian as the sole official language; and (4) double standards grounded in widespread corruption, especially in government.

Fear of Russia is rooted in memories of Soviet terror and Russian domination under Communist rule, and is reinforced by Russian threats of economic sanctions. The Russophone population is generally apprehensive about the rise of Latvian political influence. It is well known that about one half of the Russophones living in Latvia opposed Latvian independence. On the Russian side, there is fear of Latvian discrimination even among the “loyal” bilingual Russophones.

Corrupt practices in relations with government agencies provide one standard of service to those with power or money, and another for those with poor access to choice jobs, subsidized housing, or other scarce entitlements. Measures to curb corruption are becoming popular and even expected. They help build a more transparent and ethical society.
Options for Accelerating Transition

Throughout the period of early transition and economic recovery, Latvia was widely perceived as well ahead of Russia, and behind the former Soviet satellites in Central Europe. Among the Baltic states, it was generally placed behind Estonia and ahead of Lithuania. Today, the question is whether Latvia can continue to build and sustain momentum for change. People are most likely to change when their thoughts, pronouncements and actions are supported by others. It is therefore important for visible, socially powerful leaders to encourage changes in behavior suitable for a market democracy by taking clear stands and strong actions to reduce corruption and raise levels of trust.

Approaches to modifying technology and introducing systemic integration must always fit the capabilities of organizations and the local culture (Iansiti & West, 1997). According to O’Reilly and Tushman (1997), for managers to be successful agents of change, they must balance contradictory structures, skills, and cultures. Business units representing diverse cultural mindsets may coexist, provided there is strong managerial vision and much openness in the planning of supporting organizational changes and in adopting new products and services for new markets. Strong leaders with clear values of their own can exert a powerful influence over the direction in which values held by others in society develop, especially during a period of flux.

In summary, value patterns in Latvia seem increasingly compatible with more advanced stages of transition. The acknowledged importance of trust appears to be on the rise, especially among new generation managers enrolled in or graduating from model schools. Values related to cooperation are strong. There is more emphasis on the individual, to the possible detriment of clients and customers. There is also emerging a rather narrow view of business functions and managerial roles in a modern society. Passive attitudes, an underdeveloped social consciousness, and a disdain for new political processes remain on the dark side of emerging value patterns.

Several possible options are available to Latvian political and business leaders to accelerate Latvian transition and to position the country for early regular membership in the European Union (King & Zulauf, 1996; King, 1997):

1. Expand and accelerate academic reforms. With an unprecedented demand for improved education and several model institutions in place, Latvian authorities are in an excellent position for a broad advance to learning new thinking, new values, and new skills. Fortunately, policies implementing such reforms are supported by values which strongly favor individual and organizational learning.

2. Provide present and future managers with exposure to successful Latvian and rich international educational experience. Presently, such experiences are found primarily on trips abroad and in international studies overseas. One shortcoming of imported learning experiences is that their adoption requires integration with broader learning and visible examples of functioning market economies and civil societies. Formal studies in Latvia urgently need a broader base and content enrichment. Institutions for the professions and higher learning need to enlarge their functions to provide research in the field, begin consulting and advising of practicing managers and other professionals, and offer short term training in response to market demand.
3. Increase successful experience in the markets. Perhaps the most serious shortcoming in Latvian transition has been the lack of institutionally provided experience for a more certain, quicker integration of learning and practice at leadership levels. A realistic feel for market situations requires the integration of educational experiences, observed examples of better practice, and exposure to other factors which influence economic transition. For such learning experiences to be useful and effective, they depend on an aggressive continuation of other reforms in Latvia, especially the abatement of corruption, legal and administrative reforms, and the widest possible fostering of international investments—a *sine qua non* for Latvian transition.

Social capital in Latvia (measured in terms of such values as Trust, Honor, and Cooperation) can and should be increased. It is the combination of restored social capital, better educated human resources, and injections of traditional capital investments which is the most productive solution of problems and opportunities faced by Latvian leaders and Latvian society. Although the social capital may be higher in Estonia and Lithuania, this prescription is valid for all three Baltic states.

References


FROM POLITICAL DIFFERENTIATION TOWARDS STABILIZATION OF LITHUANIAN PARTY SYSTEM

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Introduction

Behind the external and internal problems of the constitutional and socioeconomic order which Lithuania faced in the transitional period, the political differentiation of society uncovered another source for instability of the government process. The key question of this chapter is to what extent the political differentiation of the population affected government changes and how it spurred the development of democracy in Lithuania.

'Differentiation' involves the study of relationships between the two main lines of political divisions among population groups - that is, the emergence of political movements and fledgling parties and their evolution into a multi-party system, and the political discrimination among the mass public. The establishment of a multi-party system is measured in terms of fragmentation and further structuralisation of political forces, and the distance on the left-right continuum. The basic dimensions in describing the political differentiation of the population are the types of political participation and voter behavior.

The criteria used in considering the questions of government stability are the length of Prime Minister's term in office, the durability of the set of parties and movements represented in the government, and the extent to which the conditions for government workability are established. It must be remembered that the relativity of measures should be taken into account because of the transitional nature of post-communist society as well as the time factor.

The evidence is improved by data of the 1989-1990, 1992, and 1993 surveys conducted by Institute of Philosophy, Sociology and Law, the 1992 opinion polls conducted by The British-Baltic Survey company, by official documents and statistics, and from periodicals.

Analyzing the political development in terms of an interplay between the transformation from political homogeneity to political diversity and government stability, a chronological outline should be presented and clarified first. I would single out the following three stages. In the initial stage, between Summer of 1988 and 11 March, 1990, the basic preconditions were created which provided an impetus for the further political differentiation of society: the establishment of new grassroots movements and various political organizations, the reestablishment of traditional parties, the restructuring of the Lithuanian Communist Party, and the wide mobilization of the public. The second stage, Spring of 1990 to Summer of 1992, was marked by high tension in the newly-elected authorities, disagreements among the former leaders of the Sajudis movement, the restructuring of the parties
that had already been formed, the creation of new parties on the basis of parliamentary factions, the split in the Sajudis movement on the eve of the 1992 general election to the Seimas, the decline in the political activity of the people, and the rise of distrust in the government. In the third stage, from Autumn of 1992 to Winter of 1993, the configuration of Lithuania's multi-party system was shaped alongside a deeper political stratification on a mass level, and a relative stabilization of the government process was achieved.

The present study primarily deals with the causes of political differentiation. These causes also help to explain the impact of the process in question on governmental changes, where party policy and government policy are closely interrelated. Secondly, the consequences of political differentiation for the prospects of democracy in Lithuania will be discussed.

**The Failure of Communist Rule: Preconditions of Political Pluralism in Lithuania**

*The origin of multipartism in Lithuania*

The turbulence in Lithuania, encouraged by the course of *perestroika* over the three years prior to the constituent election of February 1990, was reflected in an increasingly active profile of mass activity and action. The growing evidence of popular dissatisfaction was expressed through the rise of an intellectual opposition, flourishing initiatives of various groups, and street demonstrations and rallies. However, the initial impetus for criticism was related to environmental problems.

The first movement of the Greens formed in 1987-1988. The Green movement brought forth urgent environmental problems, the solution of which embraced not only the ecological and the economic aspects but also the political aspects. Several ecological groups, such as "Zemyna" (Mother Earth), "Aukuras" (Altar) and others, were set up in 1987 to oppose the introduction of obsolete technologies in the Mazeikiai oil refinery and the oil reservoir in Klaipeda. These groups demanded that the expansion of the Ignalina nuclear power station be stopped and the construction of the Kaisiadorys pumped storage power plant be laid up. The Greens became all the more popular when the public, previously denied any information about Lithuania's ecological situation, learned numerous facts testifying to its deplorable environmental condition and to the danger arising from it. In late 1988, a Coordinative Council of the Greens was formed, which made it possible to arrange mass events on a broader scale. (Vitkauskas, p. 5).

The Green Movement was strongly influenced by the political processes in the Soviet Union and Lithuania. Being staunch supporters of Lithuania's democratic movement, the Greens were in favor of extensive democratic reconstructions and sovereignty for Lithuania. The necessity of political action presupposed the establishment of the Green Party. Nevertheless, some members of the Coordinative Council were against the existence of a political Green party, fearing that it might become involved in political debates and, thus, lose close links with local centers. The supporters of a non-politicized party were influenced by the position of the Sajudis movement, which was then against its own evolution into a political party.

July 1989 saw the establishment of the Green Party, which led to a split in the party ranks, thus weakening the whole movement.
The formation of the leading broad reform movement, *Sajudis*, began in the Spring of 1988. It was founded by prominent figures of Lithuanian culture and science - scientists, writers, economists, and lawyers of the middle and younger generations, such as B.Kuzmickas, K. Prunskiene, A.Juozaitis, V. Landsbergs, J. Marcinkevicius, R. Ozolas, and others. The initial period of *Sajudis*’ activities was mostly based on social, democratic and liberal ideas which presupposed a course of moderate struggle for independence. It sought the reestablishment of Lithuania's statehood within the USSR by peaceful means. It began as a movement in support of *perestroïka* and reform of socialism rather than an organization designed to supplant communist rule. By the end of 1989, this umbrella movement had reconceptualized its role and purpose, and it was transformed into a movement acting against not only the Soviet Union but also the rule of the Lithuanian Communist Party (LCP). The *Sajudis* movement, with a clearly defined nationwide program of radical reform of the political and economic system, was marked by the promotion of national ideology, rallying mass solidarity, and in general, emphasizing traditional and ethnocentric values. Both the Green movement and *Sajudis* acted legally and publicly and contributed to the politisation and mobilization of Lithuania's mass public. These organizations awakened a wider sense of community and created ties of communication and co-operation among the population. The newspapers "Žalioji Lietuva" (Green Lithuania) and "Sajudzio žinios" (Sajudis News) became their mouthpieces encouraging self-confidence and national consciousness, and served as the first examples of an independent press in Soviet Lithuania.

The emergence of *Sajudis* spurred the development of other political organizations. Although *Sajudis*’ leadership disagrees with that evaluation, a number of traditional parties in pre-independence Lithuania formed outside the *Sajudis* framework. The first political party - the Lithuanian Democratic Party (LDP) - emerged in February 1989. It declared the principles of democracy which were overshadowed by the promotion of the main goal of that time - national liberation and the restoration of statehood. The activity of the Nationalists' (Tautininkai) Union was renewed in April, 1989. In May, 1989, the initiative group which included current Parliament members A.Sakalas, V.Andriukaitis and others declared that the legal activities of the Lithuanian Social Democratic Party were to be renewed. The social democrats, the nationalists, and the democrats took part in *Sajudis* actions and shared its electoral program in February 1990.

With the return of greater political freedom, the first group calling themselves the Christian Democrats emerged. Despite their involvement in the activities of the *Sajudis* movement, a large number of political figures of the Christian democratic orientation took steps to reestablish the party. The reconstituent conference was held in Kaunas in January, 1990. The Lithuanian Christian Democratic Party (LCDP) declared itself the successor of the ideas of Lithuanian Christian democracy of the interwar period, as well as of the Christian Democratic Union in exile. The party's official weekly "Apzvalga" was also renewed. In the Summer of 1989, a Consultative Council of Lithuania's parties was founded on the basis of *Sajudis* to coordinate the actions of non-communist parties. The goal of the Consultative Council was to analyze key political events, to elaborate the strategy of joint action and the preparation for the general election to the Supreme Council of the Lithuanian Soviet Socialist Republic (LSSR).
Furthermore, radical ex-dissident groups, like the Lithuanian Freedom League (LFL), the Lithuanian Union of Political Prisoners and Deportees (LUPPD), the Lithuanian Youth National Union 'Young Lithuania' (YNU'YL') and the Christian Democratic Union (LCDU)- established in 1988, entered the political arena. The LUPPD became an active collaborator with Sajudis. The activity of the LCDU was restored on February 16, 1989 with the chairman Viktatas Petkus, famous ex-dissident, at the helm. However, it tended to cooperate with ultra-right forces and did not receive great support in Lithuania. The ultra-right stand of the LFL and the YNU'YL' did not find wide support among the population as well. On the other hand, their activity indirectly contributed to the changes within the LCP authorities. On September 28, 1988, some followers of the LFL were punished and arrested by the militia during an unsanctioned meeting in Vilnius. After a summer of peaceful rallies of Sajudis and the Greens, the militia violence came as a shock to the Lithuanian public (Vardys, p. 15). Due to the protest expressed by some Sajudis leaders, radical changes within the LCP authorities took place. R. Songaila, first secretary of the LCP Central Committee, was replaced by a more liberal leader A. Brazauskas followed by the dismissal of Moscow's representative from the post of the second secretary.

On February 16, 1989, the Sajudis Council issued a declaration of "spiritual independence" stating that Lithuania was annexed by conspiracy and force, and that the "international recognition of Lithuania's independence was still valid" (Atgimimas, February 17, 1989, p. 10) The LCP headed by A. Brazauskas opposed this stand. However, the party realized that it lost control over the media, the younger generation, the professionals, and its own members as well (Vardys, p. 18). The situation which formed in Lithuania at that time may be called diarchy. The challenge to the LCP authorities conditioned radical changes within the party. The reformist and nationalist tendencies grew stronger in the ranks of the Lithuanian Communist Party. Conflicts between the conservatives and the reformists in the party marked internal crises not only in the LCP itself but also in Lithuania's authorities in general. The LCP gradually turned into a political force with formal power, while its renewed and more democratic leadership became a peculiar guarantor of the relative autonomy of internal political processes in Lithuania. On December 7, 1989, the constitutional articles on the monopoly of the communist rule in Lithuania were annulled by the LSSR Supreme Council.

The great impetus for the separation of the LCP from the CPSU came from the Lithuanian Young Communist League which cut off all ties with the All-Union body. In December, 1989, the 20th LCP Congress adopted a new program which rejected communist ideology and proclaimed the main aim of reestablishing an independent Lithuanian state. Nearly 80,000 former LCP members registered as full-fledged members of the newly-formed independent LCP. However, the LCP membership dropped to 15,000 in two years' time. In late 1989, the LCP turned into a force equally competitive with Sajudis but it advocated a more moderate course toward Lithuania's independence and called for closer ties with the USSR.

The orthodox communists, as well as the unionists, established their own party, officially known as the LCP based on the CPSU platform, with the membership of 30,000 (Bernatonis, p. 5). The rest of the 110,000 participants left the party altogether. The LCP (CPSU) adopted an active stand against the restoration of Lithuania's statehood. It became an organizational and ideological alternative to
Sajudis and the independent LCP along with the intermovement Yedinstvo, formed in 1989, and the Polish Union. The Polish Union, which emerged in 1988 as an organization representing the cultural interests of Polish ethnic minority, was politicized in 1989, and became the active supporter of the establishment of a Polish autonomous region in Eastern Lithuania (Matakas, p. 13).

The divorce of the LCP with the CPSU marked the real beginning of political pluralism in Lithuania. Thus, the main link in the centralized power structure was snapped, and the leading role of the LCP was repealed in practice. There were three clearly defined politically salient forces at that time: the Sajudis movement, the independent LCP, and the LCP (CPSU). Up to the general election in February 1990, the rudimentary parties existed within Sajudis or outside it as unimportant groups. They represented the disagreements in the views of more salient leaders rather than the establishment of real political parties. This situation may be classified in terms of M. Duverger as a multipartism phenomenon. Despite their fragile organizational nature and weak ties with population groups, they all contributed more or less to the formation of opposition to the rule of the Lithuanian Communist Party and the superiority of the Soviet Union, and advocated a new course of values and principles among the population.

Divisions among the mass public

The volatility of the political environment, the rapid politisation of society, easy access to information, the rise of new political movements and parties, and the citizens' involvement in politics had an impact on the growth of political differences among the population on the mass level. The population was divided into three major groups - the supporters of Sajudis and the LCP on the one hand, with some differences in their attitude toward the ways to independence and the past of the LCP, and those of the LCP (CPSU) on the other hand. The divergence of the Sajudis and the LCP positions, on the basis of attitudes of the population, was discovered during the election campaign to the Congress of Peoples' Deputies of the Soviet Union in the Spring of 1989. Sajudis' candidates were nominated in all constituencies and won 36 out of 42 electoral districts. According to the survey conducted two weeks before the election in Lithuania's three major regions - Aukstaitija, Suvalkija, and Zemaitija - the percentage of residents who intended to vote for Sajudis was 97, 92 and 93, respectively (Tamosiuniene and Trinkuniene, p. 78). The distribution of the mass public alongside the twin issue dimension of political reform and independence was maximized by the ethnolinguistic cleavage. The interests of the Polish and Russian ethnic minorities, accounting for 7.0 and 9.2 per cent of the total population, respectively, were basically expressed by the adherents of the LCP (CPSU), the intermovement Yedinstvo and the Polish Union. Sajudis' more radical program of Lithuania's liberation resulted in the mobilization of the greater part of the Lithuanian-speaking population and some ethnic minorities, and in the deprivation of certain Russian and Polish groups. The independent LCP received a response from the greater part of more moderate Lithuanians and partly from ethnic minorities for its step-by-step course toward

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1 Problems of the ethnic minorities will not be investigated in this paper because these questions require a particular chapter for wider explanation.
independence. Although Sajudis did not distance itself from ethnic minorities, it did not win positive response among them. For example, the news that Lithuanian was granted the status of the state language in November 1989 was unfavorably received by a large part of the Russian community. Quite a number of those who immigrated to Lithuania after June 1940 met this with real hostility. The blame for such negative attitudes among the Russian ethnic minority partly rested with the stand of certain political forces, such as the LFL and the YNU'YL', which publicly announced that the entire Russian nation, including the Russian ethnic minority in Lithuania, should be held responsible for the historical injustice inflicted by the Soviet Union on the Lithuanians. Besides these groups, there was a fourth population group which kept aloof from the political process. According to the survey data, in the Autumn of 1989, the population, according to participation politics, was divided into the "activists" - 17 per cent, the participatory majority - 38 per cent, the passive "silent" majority - 29 per cent, and the outsiders - 14 per cent (Gaidys, Tureikyte, p. 87). This result could be supported by the 71.76 per cent voter turnout in the 1990 election.

The results of the parliamentary election in February, 1990 showed a high degree of polarization of the population and dramatically shifted the power structure. The Sajudis-backed candidates won 51 per cent of seats in the Supreme Council and became the parliamentary majority. Although they received 72 mandates out of the total 141, Sajudis was supported by 95 deputies, including 9 members of the LSDP, 4 of the LGP, 3 of the LCDP, 3 of the LDP, and a few members of the independent LCP nominated by Sajudis. The LCP and the LCP (CPSU) won 46 and 7 seats, respectively (17, p. 2). The results confirmed that there were, in fact, two competing forces - the reformist LCP headed by A.Brazauskas, and Sajudis embodying its struggle for independence in V. Landsbergis' person. The decisive criteria for the choice of the population were the leaders. As early as June 1988, A.Brazauskas, along with his collaborators J.Paleckis and V.Beriozovas, became a regular participant and speaker in Sajudis rallies. He won his popularity by his moderate position and action toward severing the ties with the CPSU. He topped popularity ratings of Lithuania's leaders. By the end of 1990, his popularity reached 73 points against V. Landsbergis' 12 points (Nuomones). The truth was that people voted for Sajudis as a tool for implementing independence and for A.Brazauskas as the head of the state. It was only after the January events of 1991 that V. Landsbergis was perceived as Lithuania's leader. V. Landsbergis' election as chairman of the Supreme Council caused a great deal of dissatisfaction among the population. Some of A.Brazauskas' supporters suggested that general presidential election be held and even began to collect signatures in support of this idea. Sajudis supporters condemned this intention, referring to its program which declared the parliamentary republic as a goal.
The Formation of Multi-Party System

The process of structuralization of political forces

In the second stage, between Spring 1990 and Summer 1992, Lithuania was characterized by a high degree of political instability. The Prime Minister was changed three times alongside the changes in the composition of the government. Several factors affected the government process with respect to the political differentiation over that period: the conflict between the radical and the moderate orientations, the political fragmentation and party structuralization, the external pressure supported by the activities of the LCP (CPSU) and the Yedinstvo movement, the populist policy and autocratic position of Sajudis' representatives in the government, and the campaign of "desovietisation."

Following the passage of the Lithuania Independence Act on 11, March 1990, the national radical trend of Sajudis gradually became dominant. The high tension between the new authorities was determined by the competition between two political orientations. Acting President, V. Landsbergis represented the uncompromising radical stand on decisions concerning internal and external issues and was supported by radical right majority of the Parliament and political organizations outside it. Prime Minister, K. Prunskiene expressed the moderate political orientation of the liberal, moderate and social democratic forces which sought a consensus and avoided extremist politics. Contradictions between the two leaders were strengthened by the activity of the LCP (CPSU) and the intermovement Yedinstvo. On the other hand, their conflict was aggravated by V. Landsbergis' aim to seize all power and K. Prunskiene's retreat to relative autonomy of the Cabinet, strengthened by the vaguely defined jurisdiction of the parliament and the government in the constitution. The disagreements on such vital issues as the economic blockade, the model of economic reform, and the negotiations with Russia led to a certain competition that included arguments such as increased patriotism, anti-communism, hostility toward the Soviet Union, and finally led to the resignation of the Prime Minister. The first government included both the representatives of Sajudis and the independent LCP. As of January, 1991, the LCP was eliminated from the Cabinet.

The second government was formed in two stages. Prime Minister A.Simenas was in office for only three days. On the night of 13 January, under circumstances which still remain obscure, the right wing of the legislature appointed G. Vagnorius to the office. Following this move and several changes in the composition of the Cabinet, the campaign of "desovietisation" and the policy of restoration of property owned before 1940 gained full momentum. After the introduction of some radical changes in the regulations of economic reform, the restoration of property to its former owners and a somewhat bureaucratic process of privatization began. Viewing themselves as radical rightists, the right-wing leaders actually advocated and supported the leftist social democratic principles in political economy. Despite their attempts to restrict the influence of the ex-communist bureaucracy, state power and state officials played first fiddle in the process of economic and political restructuring.

The growing hostility among politicians and the anti-communist hysteria that dominated the position of the radical forces determined the parliamentary
fragmentation and political grouping outside the legislature. The disintegration of the Sajudis bloc occurred alongside and diminished the independent Communist Party in the Supreme Council. The first parliamentary faction - the Sajudis Central faction - emerged on June 21, 1990. A large number of right-wing opponents viewed this move as an attempt to split the Sajudis movement. In September, the Polish and the Leftist (the Lithuanian Democratic Labor Party as of December 1990) factions were formed. Set up in late 1990, the Sajudis joint faction was the largest in the Supreme Council but its membership later dropped to 15 adherents. It counted Prime Minister G. Vagnorius and Vice-Prime Minister Z. Vaisvila among its members. The Liberal faction emerged in May, 1990 and comprised 10 deputies among whom only 6 persons belonged to the Liberal Union. The Moderates' faction was formed in Autumn, 1991 and the National Progress faction in March, 1992 (Andriukaitis, p.1-2). By the end of 1991, there were 9 factions in the Supreme Council. A considerable number of deputies representing the LCP withdrew from the party (34 out of 46), and later their number shrank to 9. Changes in the political composition in the Parliament effected the Sajudis split into separate groups with different political views outside it.

The Sajudis movement as a dominant political force in society never was a consistent organization in ideological, political or organizational respects. At that time it faced a completely new task - the practice of independence. There were two major groups in Sajudis competing to direct its further development and its role in the current situation. Despite Sajudis' support for the idea of a multi-party system, in reality it lacked sufficient tolerance toward the new emerging parties. The more Sajudis dissociated itself from them, the weaker it became.

The double image of Sajudis - that of national unity on the one hand and a political organization on the other hand - resulted in the separation of the Lithuanian Liberal Union (LLU) and the Independence Party (IP) from Sajudis' main body at its 2nd Congress in April, 1990. The LLU backed the preservation of Sajudis as an organization promoting the societal political consciousness. The IP, however, particularly its leader V. Cepaitis suggested transforming Sajudis into a party for protecting its new-born child - independence (Gaizauskaite, 4). Both these parties, not characteristic of Lithuania's political tradition, managed to adopt strong positions of liberalism and state nationalism. In its 3rd Congress in December, 1991, Sajudis completely lost the character of an umbrella organization. It dissociated itself from the liberal and centrist forces by labeling as communists all those who rejected the idea of reestablishing the presidential institution prevalent at that time. The rest of its structure was soon radicalized and, as a matter of fact, became a party supporting V. Landsbergsis. It was called the 3rd Sajudis. The activity of Sajudis' radical part which had power in the government was politised and ideologised.

"Radicalism" in Lithuania's political context meant strict adherence to the principle of anti-communism where economic and political reform often preceded the implementation of certain political goals. It became a tool for discrediting and ousting opponents from the left and the center.

The independent LCP was reformed at the Constituent Congress in December, 1990. The Congress adopted a program of the LDLP based on the principles of social democratic traditions and passed a resolution politically assessing the LCP's past. However, the reconstruction of the party was unfavorably received by both the government and other political parties because of its failure to liquidate itself.
Political landscape

Following the Moscow putsch in August, 1991, the position of V. Landsbergis and his supporters was dominated by the extensively debated issue of revealing and "punishing" the members of the former nomenclature and the KGB confidants. The tragedy of January 13, 1991, had already reduced the amount of LCP (CPSU) supporters. After the August putsch, the LCP (CPSU) was banned as an anti-state organization. However, the radicals did find other enemies inside Lithuania. Patriotism and patriotic symbolism were somewhat abused. Everyone who criticized Sajudis' leaders and their policy was proclaimed the enemy of Lithuania's independence, a communist and a KGB agent.

The situation called for opposition to the government, inside and outside the Parliament. The Lithuanian Future Forum (LFF) emerged in October, 1991 as the first constructive opposition organization including the scientific and creative intelligentsia, among them some prominent leaders of the first Sajudis - K. Prunskiene, A. Juozaitis. In May and August, 1991, the LDLP and the LSDP proclaimed themselves an opposition to the governing political force. The ruling circles did not create favorable conditions for opposition activities. The access to the mass media, particularly to television, was almost blocked for the opposition parties, which served for the deceleration of the development of political discussion and propaganda ethics. The official newspaper "Lietuvos Aidas" was founded in 1990. Its editor was appointed by the Supreme Council Presidium. According to its status, this daily had to reflect the whole spectrum of political forces in the Parliament. In fact, it became the mouthpiece of the 3rd Sajudis and expressed hostility to the parliamentary factions of the centrist and leftist orientation. The independent press, such as "Respublika," "Lietuvos Rytas" and others, was referred to as "communist, destructive, and dirty" only because it criticized the economic and social policies of the right-wing radicals in power.

Owning to the pressure from the state structures, Lithuanian radio and television became excessively politicized. According to the radio and television statute, the Supreme Council deputies enjoyed the priority right to use radio and television facilities. The acting President and the Prime Minister had the unrestricted right to their access.

The growth of the opposition to the radical right forces in the Parliament strengthened during the campaign for the presidential election before the approval of the constitution, the major project conducted by Sajudis in the Spring of 1992. The discussion about power reform began, due to the failed August coup in 1991. In the Autumn of 1991, the parliamentary majority suddenly realized that it had become a minority. The right forces decided to regain the former positions, and in particular, to announce a presidential election. In late September, 1991, Sajudis began to collect signatures under a petition for a referendum on the urgent introduction of the presidential institution. The presented draft granted wide powers to the president, and the campaign itself was linked with V. Landsbergis' person. The draft law on the presidential institution was rejected by majority vote in the Supreme Council on the grounds that it provided for the President's autocratic power. The Supreme Council approved May 23, 1992, as the date of the referendum. However, the rightist forces were defeated in the referendum because
only 40 per cent of the entire electorate voted for the institution. The voters gave preference to the elaboration and adoption of a new constitution rather than a strong president.

Debates on the restoration of the presidential institution sped up the formation of a political bloc. A broad coalition of the right-wing political forces "For Democratic Lithuania" was formed. V. Landsbergis' most active supporters became the 3rd Sajudis, the IP, the NU, the LCDP and the four political organizations of the rightist orientation - the Citizens' Charter, the Farmers' Union, the Lithuanian Workers' Union, and the LUPPD. The parliamentary National Progress faction expressed the view that it is necessary to concede temporary powers to the chairman of the Supreme Council and the Prime Minister until the new election and to resolve this problem together with the new Constitution. The Liberal Union sought the restoration of the institution on the basis of the Permanent Constitution. The resolution of the Democratic Labor Party urged people to vote against the immediate introduction of this institution. The social democrats showed more preference for a parliamentary republic and stood for the continuity of the 1922 Constitution.

The fragmentation determined by the painful process of the party self-identification and the struggle for autonomy and influence resulted in a parliamentary crisis. The Sajudis coalition made a mistake when assigning people to government posts from its own ranks because the MP's were prohibited from voting in the Supreme Council. On the eve of 1992, the strategy of Landsbergis-Vagnorius' alliance gave rise to profound divisions in the Supreme Council. The government coalition showed a great deal of confusion changing its basis within political parties, and individual politicians went as far as shifting their positions in the political spectrum. Every issue caused disagreement. The Parliament had no permanent majority up to the Summer. Moreover, the argument between Vice-Prime Minister, Z. Vaisvila and National Defense Minister, A. Butkevicius, G. Vagnorius' dictatorial position, and disregard for the law, all paralyzed the work of state structures. When the referendum failed to bring the desired result, the Sajudis minority resorted to an unprecedented practice in parliamentary actions - "parliamentary resistance."

Seeking to demonstrate the inability of the Supreme Council to work, more than 50 deputies left the assembly hall.

The consequences stemming from such practice could be divided into two categories: immediate and long-term. The most apparent immediate consequence of fractiousness was the difficulty in arranging an efficient coalition and/or the formation of a "political vacuum". Moreover, the rapidly proliferating political parties were either not represented at all or considered themselves insufficiently represented. The new political situation required a new composition of the legislature. The long-term consequences were the consolidation of the multi-party system and the defeat of the Sajudis coalition in the election of October 1992.

The positive tendencies of the dialogue and the balance of interests began to emerge after a prolonged parliamentary crisis, and a number of compromises were reached on such vital issues as A. Abisala's appointment to the post of the Prime Minister, the general election to the Seimas, the Electoral Law, and the adoption of the new Lithuanian Constitution.

Due to Prime Minister A. Abisala's pragmatic position the political situation began to stabilize as of July 1992. The designation of the third government was a compromise. A. Abisala (rightist) was nominated to this post alongside Vice Prime
Minister B.Lubys (liberal) only for three months, i.e. until the general election. The decision to hold the election to the Seimas on October 25, 1992, and the new Electoral Law adopted in July, 1992 were the result of bargains among various factions. They were reached by a consensus among different parties and marked the first steps toward the formation of a mechanism for resolving conflicts among the most influential political elites. The mixed electoral system allowed the parties to be represented in the Parliament and encouraged political competition. Under the new Electoral Law, 71 out of 141 Seimas members were to be elected by the majority system, and another 70 members by the proportional system. The threshold was 4 per cent of the voters taking part in the ballot (7, P. 5). The variety of the electoral system, even if it dissatisfied either the new parliamentary majority or the minority, served to lessen tensions both in the Supreme Council and society at large.

Model of the multi-party system

At that time, new political organizations were formed on the basis of parliamentary factions. The Moderate Movement (June 1992), the Center Movement (August 1992) and the National Progress Movement (May 1992) which represented the centrist orientation, filled the gap in the left-right continuum coupled with the social democrats on the left and the liberals on the right. Politicians from these factions expressed the opposite stand on the policies of the Sajudis coalition. They declared their commitment to constitutionalism, the principle of the division of power and judicial institutions. They viewed themselves as the third force which might unite society divided into two camps - the rightists and the leftists. These parties pursued tolerance and moderate positions in politics. However, their fragile organizational structure and short existence did not allow them to become alternatives to more powerful opponents from the right and left parties in the Seimas election.

Besides, several political single-issue organizations such as the Lithuanian Chernobyl Movement, the Movement for Social Justice (represented the interests of disabled people), the Lithuanian Community ( the organization of ethnic minorities) and others were established. 26 political parties and organizations nominated their candidates to the Seimas. It should be taken into account that some political movements and organizations in the case of Lithuania functioned as political parties, even though they did not have formal status. Up to the Autumn, 1994, such political organizations as the Polish Union, the Moderates, the Progress Movement, and the Center Movement, which expressed the interests of particular groups, nominated their candidates to official posts through competitive elections, and registered as political parties.

Furthermore, on the eve of the dissolution of the first legislative body of the independent Republic of Lithuania, a relative frame of the multi-party system took shape along the conventional left-right scale. The left wing was represented by theLDP, the LSDP and the Polish Union; the center forces - the Center, the Moderate and the National Progress Movements; and the Liberals (center-right), while the right wing included the LCDP, the LNU, the LDP and Sajudis; and the ultra-rightists - the LFL and the YNULYI.

Actually, every point on the left-right continuum was represented by two or more political forces (Figure 1). All this indicated the high fragmentation of the forming
party system. On the other hand, relations among the parties were marked by confrontation and isolationism.

FIGURE 1

<table>
<thead>
<tr>
<th></th>
<th>LCM</th>
<th>LCDP</th>
<th>LFL</th>
</tr>
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<tbody>
<tr>
<td>LEFT</td>
<td>LSDP</td>
<td>LMM</td>
<td>Sajudis</td>
</tr>
<tr>
<td>LDLP</td>
<td>LPU</td>
<td>LDP</td>
<td>YNU'YL'</td>
</tr>
<tr>
<td>NPM</td>
<td>IP</td>
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</table>

First of all, the fiercest rivalry broke out between the LDLP and Sajudis. In addition, the anti-communist campaign helped isolate the LDLP from the possibility of entering a coalition with other parties in the election. The former broad coalition of the right forces split into three smaller ones which served as the basis for compiling candidates' lists for the Seimas. The LNU nominated its candidates together with the IP, the LCDP with the LDP and the LUPPD. The Sajudis coalition comprised Sajudis, the Citizens' Charter, the Landworkers' Union, and the LGP. The centrists failed to reach an agreement and conducted negotiations before the election. The key reason which prevented the formation of electoral coalitions was the leaders' personalities. For example, the Center Movement leader R. Ozolas and the Liberal's leader V. Radzvilas competed with each other as the most prominent members of the Sajudis initiative group. Having failed to subdue their personal ambitions, they only divided the centrist forces and enhanced the chances of LDLP's victory. This way the parties and movements with close positions in the left-right spectrum split the votes. According to the final results of the parliamentary election, the Sajudis coalition won 50 seats, the LDLP 73, the LCDU 1, the LNU 4, the Centrist Movement 2, the LCDP, the LDP and the LUPPD 10, the LDP 2, the UPPD 6, and the Polish Union 2 seats. Under the Electoral Law, the Polish Union, as a representative of the interests of the Polish minority in Lithuania, enjoyed an advantage - the 4 per cent threshold did not apply to it.

The Political Diffusion and Activeness of the Population

Prime Minister G. Vagnorius' populist economic policy, the volatility of the political environment, the atmosphere of hostility, steady disagreements among Sajudis' former members, and an open controversy among Supreme Council deputies triggered rapid political discrimination among population groups and increased their distrust in the former government.

According to the results of opinion polls, the favorable assessment of government activities from September, 1991 to March, 1992 dropped by 15 per cent. However, its fall continued even later (Fig.2). The inhabitants' attitude toward the need for an early election to the Seimas also confirms their distrust in the government. If in January, 1992, the number of people supporting the election accounted for 50 per cent, their percentage already reached 70 in July.
The gradual decline of political activity of the population and the strengthening of distrust in politicians and political parties began as early as the middle of 1990. The shock effect after electing V. Landsbergis Supreme Council Chairman slightly cooled people's euphoria. The next reason for people's disillusionment was the conflict between the Supreme Council chairman and Prime Minister K. Prunskienė, which clearly ran counter to the proclaimed idea of national unity.

The witch-hunt which began after publicizing some documents from the KGB archives in late 1991 and early 1992 enhanced the political alienation among the mass public even more. The search for KGB agents among the most prominent leaders was turned into a tool for discrediting political opponents with the help of the right-wing forces. This campaign removed K. Prunskienė from the political arena and cast aspersions on A. Sakalas, leader of the social democrats. On the other hand, the hunt for KGB agents turned against the right forces themselves when documents were announced proving the collaboration of V. Cepaitis - V. Landsbergis' close counselor or the "gray cardinal" - with the KGB. This determined a split in the IP, whose chairman was V. Cepaitis, and its actual collapse. Other factors - the deterioration of economic conditions, the indignation with the Supreme Council deputies' failure to decline privileges, and the lawmakers' incompetence - were also important.

Survey's studies show that as of October, 1989 the number of people determined to vote for LDLP began to rise, while that of those who intended to vote for Sąjūdis began to fall. The percentage of potential voters was 30 and 31 in January, but 42 and 22 in June, for LDLP and Sąjūdis, respectively (Nuomones). The interest in politics reduced as well. 10 per cent of the population showed a great interest in politics, while 49 per cent had either a slight interest or no interest at all. In August, 1992, 40 per cent of the inhabitants had confidence in the government, and 54 per
cent were dissatisfied with the scope of democracy and government policies (20, p.1)

**TABLE 1**

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td><strong>Sajudis</strong></td>
<td>48</td>
<td>47</td>
<td>16</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>LCP/LDLP</td>
<td>19</td>
<td>16</td>
<td>16</td>
<td>28</td>
<td>25</td>
</tr>
</tbody>
</table>


All these signs clearly expressed people's disillusionment with government policies and their determination to change its composition. The politicians in power totally ignored the results of these polls, hoping that the score gained in the beginning of the rebirth would decide the voters' choice again. The votes in the multi-mandate constituencies were distributed in the following way:

**TABLE 2**

<table>
<thead>
<tr>
<th>LDLP</th>
<th>Sajudis coalition</th>
<th>LCDP</th>
<th>LDP</th>
<th>LCDU, YNU 'YL'</th>
<th>Center Movement</th>
<th>Polish Union</th>
<th>NU, IP</th>
<th>LLU</th>
<th>LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>42.61</td>
<td>20.52</td>
<td>12.22</td>
<td>5.86</td>
<td>3.44</td>
<td>2.45</td>
<td>2.07</td>
<td>1.92</td>
<td>1.46</td>
<td>1.15</td>
</tr>
</tbody>
</table>

**Source:** The final results of the election to the Seimas, 1992. The Official Documents of the Chief Electoral Commission.

Meanwhile, according to the Survey of the Vilnius University Sociological Laboratory, in May 1992, 16 per cent of the population identified themselves as leftists, 23 per cent as rightists, and 27 per cent as centrists, while 34 per cent failed to make an identification (Mulvinsas, p.3). In comparison with the results of the election, it is possible to make an assumption that the parties' tactics and methods of political action rather than their ideological orientation had a greater influence on the constituents' choice. However, the voters' identification with the parties is only developing and unstable.

**Toward a Classification of Lithuania's Party System**

The general election of 1992 resulted in an essential change in the balance of political power with the weight shifting from the radical right to the left. The turning point in the election was the advent of the new parliamentary LDLP majority (41 per cent of the votes) and the formation of a binary opposition with the Sajudis coalition, the LCDP and the LNU from the right wing on the one side and the centrists and the social democrats from the center and the left wing on the other side. The same result occurred in the presidential election of February 14, 1993, when A.Brazauskas won by a landslide, gathering 60.17 per cent of the votes, while the other candidate S.Lozoraitis got only 38.7 per cent and thus reinforced LDLP's victory (2, p. 1).

Although the LDLP invited other parties for a broad political coalition immediately after its victory in the Seimas election, it actually formed a single-party government
headed by Prime Minister, Adolfas Slezevicius after the presidential election. The subsequent appointments of ambassadors to various countries were also of a political nature. The concentration of power in single hands stabilized the government process. The outline of Lithuania's party system began to shape after the election. The system was primarily marked by instability manifested in a distinct fragmentation of political forces with several parties or movements representing each position in the left-right spectrum. Secondly, the distribution of the votes in the Seimas election clearly singled out the two largest political forces - the LDLP (42.6 per cent) and Sajudis (21.6 per cent), marking a high degree of polarization of the developing party system. They both had a wide network of branches throughout Lithuania, their functionaries, and a considerably stable electorate. In this case, Lithuania's present party system can be identified as a system of polarized pluralism. If the LDLP is a pragmatic party clearly pursuing its goals and ready to cooperate with other parties to achieve them, the position of Sajudis, which in May, 1993 was modified into the Homeland Union (Lithuanian Conservatives) Party, is more ideologized, and the boundaries of its cooperation with other parties are defined by a considerably narrow circle of right-wing forces.

Other parties, with certain reservations with respect to the LCDP and the LSDP, and their leaders suffered from the syndrome of narcissism. Party leaders delighted at their high popularity ratings and incorrectly assessed their chances in the election campaign. This was particularly typical of Sajudis and the centrist forces which, mostly due to the personal ambitions of their leaders and the overly large confidence in their own authority, split the votes. As a result, the candidates of the Center Movement and the Liberal Union competed with each other in 18 constituencies. The right-wing forces did not care much about the technical side of the election campaign. Although they formed a coalition with the closest political organizations, they did not coordinate the nomination of their candidates in constituencies. Therefore, their representatives were rivals even in 43 electoral districts (12, p. 3-4).

The new electoral system did not bring the desired result. It was expected to ensure a greater permeability for parties and political forces. However, this confirmed the hypothesis devised by M.Duverger that the proportional and majority electoral system in the second round is favorable for the formation of a multi-party system and is permeable for larger parties. There is no doubt, however, that the parties' lack of experience in election campaigns and their organizational weakness had the greatest impact.

The Seimas election marked the beginning of the consolidation of the party system in Lithuania. First of all, its results allow one to speak about relevant, in G.Sartori's terms, or effective political parties. These are politically influential parties with a coalition potential. In Lithuania, the LDLP, the HU(LC) , and the LCDP could be deemed relevant parties. The LSDP, the LNU, and the LCU could also be relatively ascribed to this category. Relevant parties serve as the basis for defining the type of a political system. According to J.Blondel's criteria, if two parties win about two-thirds of the votes in an election, this marks a two-and-half party system, but if they receive 90 per cent, this implies a two-party system. Since the LDLP and Sajudis collectively won more than 60 per cent of the constituents' votes, Lithuania's party system could be identified as a two-and-half and in other terms as a two-plus multi-party system. However, this is only a relative classification indicating the general tendency in the development of the party system; even though most political
scientists are apt to identify it as a two-party system, the growing political influence of the LCDP and the LSDP is evident. This particularly applies to the LCDP. Its membership increase rate is the greatest. The LCDP currently has 8,500 members (500 in 1990) and 50 branches in Lithuania.
The LSDP succeeded in strengthening their ties with labor unions although its membership reached only 900. The CM (currently - Center Union) and the LLU are represented by strong leadership but suffer from weak infra-structures. The rest of the parties are facing financial and organizational problems.

Conclusion
In conclusion, some remarks should be brought into play considering the democratization process in Lithuania. Political differentiation in a transitional context became a strict function of government stability. Its attributes - fragmentation and polarization determined the formation of conflict-resolving mechanisms. In the case of Lithuania, that mechanism is not developed at all because of a lack of a full-fledged multi-party system and long-standing constitutional means to support such a system.
However, the fact that the multi-party system, as one of the fundamental requisites of democracy, has taken root in Lithuania is a source of optimism. Surveys data also indicated a consolidation of the party system. The allocation in the left-right continuum turned toward sharper understanding of people's stance: in the Summer of 1990 over 50 per cent of the population could not identify their position on the scale. From October, 1991, people specified their position more clearly. Only one-third of the respondents did not know their attachment on the scale (5, p. 5).
Positive changes are noticeable in relations among the parties. The preparation for the Seimas election forced the parties to look for allies among their rivals. The Summer of 1992 was a line marking the establishment of the "rules of the game" in relations among the parties, the key pragmatic goal of which was to win the largest possible number of seats in the Seimas. The presidential election campaign encouraged cooperation of the right forces not only with the centrist forces but also with the LSDP. All these parties backed S.Lozoraitis, even though LSDP members enjoyed freedom in supporting presidential candidates. For example, social democrat J.Paleckis participated in presidential campaign of A. Brazauskas and is currently the President's foreign policy adviser. Another positive criterion of the consolidation of the multi-party system and democracy is the institutionalization of an opposition/ruling-force relationship. Despite the lack of constructiveness the initiatives of an opposition receive response of the party in power.
However, the major achievement is the introduction of competitive politics and mechanism of transfer of power through fair elections. Furthermore, surveys prove that the principles of democratic government are legalized in Lithuania. In Autumn of 1993, 60 per cent of the population spoke out for parliamentary rule and a multi-party system, although only 19 per cent expressed full or partial confidence in political parties (Rose, p. 43,45). This shows that a consensus with respect to a democratic system is gaining ground, while the dissatisfaction of the mass public is turned against politicians or ruling political forces. While observing the complex and painful process of the political differentiation of the society on the basis of the creation of political groups and parties, a stratification of interests and viewpoints of the population is welcome phenomenon.
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Tiesa, 12/3-1990.


ATTITUDES TOWARDS THE ECONOMIC SYSTEM IN THE BALTIC STATES: PAST, PRESENT, FUTURE

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Introduction

Attitudes towards the past, present and future are important indicators for evaluating optimism or pessimism of the nations in the post communist world, their willingness and readiness to join the community of democratic societies of market economy in Europe. This article is based on the results of representative surveys done in 1993, 1995 and 1996 in the Baltic states. There are important differences between nationalities in the Baltic states and these differences have become deeper over the years. The most “progressive” country (past evaluated negatively, present - positively and optimistic outlook to the future ) is Estonia. Three directions of explanations of these differences are proposed: economic, political and cultural.

Methodology

The idea to carry out representative surveys to measure different aspects of transition to market economy, democratic society and to evaluate the situation in inter-ethnic relations in the Baltic states belongs to Prof. Richard Rose (Strathclyde university).

The first survey was done in September - October 1993. Number of respondents in Estonia was 1987, in Latvia - 2137 and 2012 in Lithuania. The research was carried out with the use of multistage random sample representative for adult population (18 and over). In Lithuania the survey was done by Vilmorus Ltd., in Latvia by Lasopec Ltd. and in Estonia by Emor Ltd. The research of 1993 was financed by a grant from the European Community under the Copernicus programme for Co-operation in Science and Technology (COST) with Central and Eastern European countries. The research was led by Prof. Richard Rose. The questionnaire included 257 questions, the empirical data were published (Rose, Maley, 1994).

The majority of questions of this survey were repeated in 1995 and 1996 surveys. In this article the results of the first and the last studies will be analyzed.

In November 1996 1000 respondents were interviewed in Lithuania, 1006 in Latvia and 1071 in Estonia. The principle of sampling was the same as in 1993. In Lithuania the survey was done by Vilmorus Ltd., in Latvia by the Baltic Data House, in Estonia by Saar Poll Ltd. The project was financed by the Higher Education Support Programme of the Open Society Institute and from the Center for the Study of Public Policy, University of Strathclyde. The questionnaire included 208 questions, the empirical data were published [Rose, 1997].
It is possible to compare the data of this project ("New Baltic Barometer") to the results of the "New Democracies Barometer", project done four times in many post-Communist countries.

In data analysis responses of Lithuanians, Latvians and Estonians will be often compared, while responses of Russians will be examined separately. This is due to the specifics of Russians' responses, i.e. differences from Estonians', Latvians', Lithuanians' responses. Against the background of different national composition in the Baltics aggregate replies of the population would shadow some essential differences between different nationalities of the Baltic countries.

Estonians, Latvians and Lithuanians about the Past, Present and Future (1993)

The wording of the question was direct and quite simple: "Here is a scale ranking how well an economy works. The top plus 100, is the best, and the bottom, minus 100, is the worst. Where would you put on this scale: the socialist economy before independence, our present economic system, our economic system in five years time?". Scale: +100, +90, +80, +70, +60, +50, +40, +30, +20, +10, 0, -10, -20, -30, -40, -50, -60, -70, -80, -90, -100.

FIGURE 1

Attitudes Towards the Soviet Economic System, the Present Economic System and Economic System in 5 Years Among Estonians, Latvians And Lithuanians in 1993; the Difference Between Positive and Negative Answers

(in percent)
The differences among Estonians, Latvians and Lithuanians are striking (especially attitudes towards the past) and could be roughly summed up in the following thesis: “Estonians are optimists as regards the future, Lithuanians - the past”. Why have these differences emerged? The search for causes will be conducted in three directions, with the investigation of political, economic and social psychological (cultural) specifics of the countries.

Differences in Economic Situation

It is interesting to see the available statistics of the countries for the pre-war period [Lietuvos statistikos departamentas, 1939]. For example, there were 8 cars per 10,000 of population in Lithuania, 20 cars in Latvia and 40 cars in Estonia (1937). Another very interesting indicator is “the amount of postcards sent by population a year”: 5,4 millions in Lithuania, 10,6 millions in Latvia, 21,9 millions in Estonia (1936). The last indicator “postcard” reflects cultural traditions, the level of education, etc., but the economic well-being is hidden here as well.

So, the differences among countries in the pre-war period were very great and Estonia was the most successful country in the Baltics.

During the Soviet period the policy of unification in all spheres was conducted but differences among the countries still existed. Gross domestic product per capita in 1990 was 5077 rubles in Estonia, 4676 in Latvia and 3451 in Lithuania (average wages and salaries correspondingly: 304,7 rubles, 321 rubles, 283,4 rubles) [Estonian Department of Statistics..., 1992, p.8]. Here we see a paradox: in the last years of Soviet system the situation in Estonia was the best but the evaluation of the past is the worst.

It might be possible that the past is evaluated in the present context. If the present drop in living standards is more perceptible than in the neighboring countries, consequently the past could look much more attractive. And the present evaluation of the economic system by Lithuanians is rather skeptical (Figure 1).

In 1993 gross domestic product per capita in USD was 1,092 in Estonia, 856 in Latvia and 696 in Lithuania [Department of Statistics ..., 1996, p.3]. On the other hand, the difference in gross domestic product by purchasing power parities per capita was not so striking: 3,743 USD in Estonia, 3,064 in Latvia and 3,650 USD in Lithuania.

We suppose that the latter difference is valid but not sufficient to explain the differences in the evaluation of the past.

Differences in Political Situation

In our analysis the question was formulated as “attitudes towards economic systems”. Not every respondent has enough analytical capacities to distinguish “economic system in the past” from “the past” in general. Situation in Lithuania, Latvia and Estonia in the last years of the Soviet period had some peculiarities, demographic characteristics, for example.

Demographic problems of the Baltic countries was one of the principle agents of transformations, which took place in 1988-1991. Among them national composition of the countries and immigration ranked as the most important ones. In Estonia the
proportion of Estonians from 87.8% in 1934 dropped to 61.5% in 1989, in Latvia
the proportion of Latvians from 77.0% in 1935 dropped to 52.0% in 1989, while in
Lithuania the share of Lithuanians from 69.2% in 1923 increased to 79.6% in 1989.
Immigration flows from Russia into Estonia and Latvia were considerably larger
than into Lithuania. At least 37.5% of Lithuania's Russians could speak Lithuanian,
while in Latvia this indicator was 22.3%, in Estonia - 15% (Gaidys, 1994, p. 97).
The natural increase of the population in Latvia stood at zero, Estonia was moving
close to it, whereas in Lithuania fertility and natural increase of the population were
among the highest ones in Europe.
Estonian and Latvian nations found themselves on the brink of depopulation and the
process of Russification seemed to have acquired an irreversible trend. In Lithuania
these problems were much less acute.
Differences among the Baltic countries were also observed as regards the character
of political elites ("nomenclature"). Whereas in Estonia and Latvia they were largely
russified, in Lithuania it retained its national character. Soviet-period Estonian and
Latvian elites could be accused of collaboration, and the Lithuanian - rather of
conformism. Evidently this was the reason why the former Soviet elite was easily
adapted in independent Lithuania and even won the parliamentary election of 1992
(Gaidys, 1995).
Similar findings of Hungary are interpreted by Prof. R.Rose in the same manner
(Rose, Haerpfer, 1994). The situation in Hungary was probably the best among the
countries of "the socialist camp" for the saying "Hungary is the jolliest barrack in
the socialist camp" was quite popular. Lithuania's situation in the Baltics was
probably alike.

Cultural Differences

Lithuanians and Estonians belong to different cultural areas: Lithuania is a Catholic
country, and Estonia - a Protestant one.
According to the data of the second wave of this research (1995) Lithuanians
identify themselves as follows: 84% Catholics, 2% other confessions, 10% non-
believers, 3% found it difficult to answer; Latvians: 23% Catholics, 38% Lutherans,
2% Orthodox Church believers, 4% other confessions, 31% non-believers, 2% -
difficult to answer; Estonians: 40% Lutherans, 7% Orthodox Church believers, 5% -
other confessions, 32% - non-believers, 17% - difficult to answer.
As it can be seen, Lithuanians, who were the last to adopt Christianity, are the most
ardent believers, with Catholics prevailing. Among Estonians non-believers form a
considerable proportion, however, it is an undoubtedly Protestant country.
Thus, what differences are presupposed by the different religious identifications?
This issue is dealt with in the fundamental work by Max Weber "The Protestant
Ethic and the Spirit of Capitalism" (Weber, 1976). According to him, increased
individualism, rationalism is one of the principal features of Protestant culture
("everyone is the master of his own fate"). Liberal capitalism stands in harmony
with the culture of this type. Whereas the majority of the Pope's encyclicals on
economic life rest not only on anti-marxism (positive attitudes on the private
ownership at least) but anti-liberalism as well (Czuma, 1993).
Transition to market economy may be perceived differently by a Catholic and a Protestant. What is natural for an Estonian might not be quite acceptable for a Lithuanian.

It could also be assumed, that Catholic world-view is more pessimistic as compared to Protestant, self-reliance is less typical for Catholic mentality, while fatalism is more common. We also propose, that positive evaluation of one’s own activity is more typical for a Protestant (poor results are the outcome of one’s inefficiency and laziness, which is sinful). All these features could serve as factors determining a more pessimistic evaluation of the present and future in Lithuania.

Assertions of this type are rather speculative in nature, lacking based argumentation. However, for the time being these considerations might be taken for hypotheses, to be checked in future research.

By the way, cultural differences can also influence the perception of the same question. The question of the evaluation of the economic system is by no means a simple one. Here we propose, that a respondent is capable of distinguishing the economic system from the living standard, etc. For Catholic culture organic, integral attitude on the world, emotionality, inner contemplation are more typical, while the Protestant culture adheres to atomist outlook, rationality, observation of the world.

Thus, it could be assumed that perception of Lithuanians is based more on feelings and less on analysis. Consequently, these insufficiently negative evaluations of the past ruling system possibly might be interpreted as an indication of the present economic difficulties.

One more hypothesis on cultural differences. Perhaps Lithuanians are more conservative, less apt to adopt innovations? Lithuanian conservatism and its causes have been thoroughly analyzed by Prof. K.Stoskus. (Stoskus, 1989). We have noticed this circumstance in April 1990, when our respondents were asked whether they would support rapid but painful, or slow reforms. Rapid reforms were accepted by 53% of Estonians and only 23% of Lithuanians. Thus, rapid changes of the current period might not be fully acceptable to more conservative thinking.

Thus, in summing up, an assessment could be proposed that the differences in the evaluation of the past between Estonians and Lithuanians are caused by better economic situation in Estonia in the pre-war period, better situation during reforms, worse political situation in the Soviet period and because of belonging to Protestant cultural area.
Estonians, Latvians and Lithuanians about the Past, Present and Future after Three Years (1996)

FIGURE 2
(in percent)

The past is gone and doesn't change anymore, on the other hand, in the minds of people evaluation of the past is changing. In Figure 2 we see interesting and important changes. Evaluation of the past made by Lithuanians remains on the same level. A change has occurred in Latvia: the past has become more bright and similar to the evaluation of Lithuanians. The evaluation of the past made by Estonians has become less positive. So, Estonia in 1996 became even more different compared to Latvia and Estonia. Negative changes (from the standpoint of market economy values) in Latvia require more detailed analysis in the future.

The most distinguishing differences are in the evaluation of the present situation. Estonians evaluate the present economic system positively (on a high level: +47), and Latvians and Lithuanians - negatively ("the mirror reflection": - 39, - 42). Compare to 1993 in 1996 we see a very significant rise of positive evaluations of the economy in Estonia and stable negative evaluations in Latvia and Lithuania. We interpret this trend as an evidence of successful reform process in Estonia and serious problems in Latvia and Lithuania.

Regarding the future, optimism of Estonians remains on a high level and optimism of Lithuanians, especially Latvians, has decreased significantly.
So, over three years no important changes in perception of economy among Lithuanians, positive changes among Estonians and negative changes in Latvia are observed.

**Russians in the Baltics**

As regards the past, present and future, answers of Russians are quite different compared to the answers of Estonians, Latvians and Lithuanians.

**FIGURE 3**

*Attitudes Towards the Soviet Economic System, Present Economic System, Economic System in 5 Years Among Russians in Estonia, Latvia and Lithuania in 1996; Difference Between Positive and Negative Answers (in percent)*

Figure 3 shows that Russians in all countries evaluate the economic system of the past better compared to Estonians, Latvians and Lithuanians (in the last case the difference is statistically insignificant). The present situation is evaluated worse compared to Latvians and Estonians, and better compared to Lithuanians. The future is evaluated worse in all three countries (compared to Estonians, Latvians, Lithuanians).

We interpret a slight difference in answers between Russians and Lithuanians as indication of good integration of Russians into Lithuanian society. For example, 79% (the result of the same survey) of Russians in Lithuania are able to carry on a
conversation in the state language (in Estonia - 43%, Latvia - 53%). The language
difference between ethnic groups in Lithuania is not so important. There are some
differences in social structure between Lithuanians and Russians. The last census in
Lithuania was conducted in 1989, thus the data are obsolete, on the other hand, it is
important to note "the starting point" for entering into the market economy.

**TABLE 1**

**Nationality - Occupation Distribution in Lithuania -**

**the Main Differences**

*(in percent)*

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Lithuanians</th>
<th>Russians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-physical labor</td>
<td>33.4</td>
<td>40.9</td>
</tr>
<tr>
<td>Physical labor</td>
<td>66.6</td>
<td>59.1</td>
</tr>
<tr>
<td>Engineers and technicians</td>
<td>8.3</td>
<td>13.7</td>
</tr>
<tr>
<td>Medical workers</td>
<td>3.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Scientists, teachers</td>
<td>6.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Other</td>
<td>1.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Engineering, metal - working</td>
<td>12.0</td>
<td>17.5</td>
</tr>
<tr>
<td>Farming</td>
<td>11.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Transport</td>
<td>7.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Trade and public catering</td>
<td>3.8</td>
<td>2.9</td>
</tr>
</tbody>
</table>

**Source:** Census, 1989

In Table 1 we can notice some advantages and disadvantages of professional
structure of Russians in Lithuania. Low percent of Russians engaged in agriculture
might be interpreted as an advantage. Consequences of reforms and market
economy were quite painful for agriculture, and Russians, as urban dwellers, didn’t
experience these problems. The second advantage is higher percent of people
engaged in non-physical labor, because during reforms the demand for high skill
professions increased. As disadvantage might be interpreted a higher percent of
engineers and technicians (working in big plants, where it is difficult to re-orientate
production). According to the census, 7.3% of Russians have had “other
professions”. In reality this item included the Soviet army personnel. The Soviet
army left the Baltics, but some people belonging to this infrastructure remain here.
For this part of population it was not so easy to find place in the new economic
system.

The professional structure of Russians in Latvia and Estonia is, in principle, similar
to the situation in Lithuania. On the other hand, Latvia is a more industrialized
country with bigger plants and the period of reforms for the workers of these
enterprises is difficult. In Estonia the “Russian problem” is the toughest in Kohila-
Järve and Narva regions where problems related not only in to the re-orientation of
industry but also to language and naturalization exist.

**The Past - Present - Future: Cross-National Comparisons**

The questionnaire used in this survey was used by Prof. Richard Rose many times in
many post-communist countries. So, we have a possibility to make comparisons.
FIGURE 4
Attitudes Towards the Economic System in the Past in Different Countries; The Difference Between Positive and Negative Answers
(in percent)

<table>
<thead>
<tr>
<th>Country</th>
<th>Negative difference</th>
<th>Positive difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ukraine</td>
<td></td>
<td>82</td>
</tr>
<tr>
<td>Belarus</td>
<td></td>
<td>79</td>
</tr>
<tr>
<td>Latvia</td>
<td></td>
<td>66</td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td>61</td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>Slovakia</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td>47</td>
</tr>
<tr>
<td>Romania</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Czech</td>
<td>-3</td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td>-5</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>-17</td>
<td></td>
</tr>
</tbody>
</table>


In Figure 4 it is possible to classify countries into four groups. “Strong positive attitudes towards the past”: Ukraine and Belarus. “Positive attitudes towards the past”: Lithuania, Latvia, Bulgaria, Slovakia, Hungary. “Mild positive attitudes towards the past”: Romania, Slovenia. “Negative attitudes towards the past”: Estonia, Czech Republic, Croatia, Poland.

It is not easy to work out one interpretation for this differentiation. It is hardly likely that economic system in Ukraine and Belarus has been functioning very well. More probably Ukrainians and Belorussians are deeply dissatisfied with the economic situation nowadays.

It is possible to interpret the answers of Hungarians as a simple affirmation of the fact that life in socialist Hungary wasn’t so bad, in any way, better, as compared to
other communist countries. It is more difficult to interpret the results from Lithuania and Latvia: does it mean that the system was functioning well or is the present situation bad? In our opinion, we ought to use both interpretations. Also it is important to remark, that Estonia is close to the "most progressive countries" - we interpret the negative evaluation of the past as an indicator of the market-oriented mentality.

**FIGURE 5**

**Attitudes Towards the Present Economic System in Different Countries; The Difference Between Positive and Negative Answers**  
*(in percent)*

<table>
<thead>
<tr>
<th></th>
<th>Negative difference</th>
<th>Positive difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td>36</td>
</tr>
<tr>
<td>Slovenia</td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Croatia</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Slovakia</td>
<td></td>
<td>-2</td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td>-7</td>
</tr>
<tr>
<td>Lithuania</td>
<td>-36</td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td>-37</td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td>-46</td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>-47</td>
<td></td>
</tr>
<tr>
<td>Belarus</td>
<td>-62</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td>-65</td>
<td></td>
</tr>
</tbody>
</table>


The range of countries in Figure 5 will be classified in a similar way as in the case of the attitudes towards the past. "Positive attitudes towards the present economic system": Czech Republic, Poland, Estonia. "Mild positive attitudes towards the present economic system": Slovenia, Croatia. "Mild negative attitudes towards the present economic system": Slovakia, Romania. "Negative attitudes towards the
present economic system”: Lithuania, Hungary, Bulgaria, Latvia. ”Strong negative attitudes towards the present economic system”. Belarus, Ukraine.

As we see, according to this indicator, Estonia belongs to the group of the well-developed countries, and Latvia and Lithuania belong to the countries with pessimistic mood. Also it is clear that the range of countries in Figure 4 is in a good correlation with the range in Figure 5. So, the evaluation of the past is in relation to the evaluation of the present: a better present situation - worse past situation.

**FIGURE 6**

**Attitudes (Beliefs) Towards the Economic System in 5 Years in Different Countries; The Difference Between Positive and Negative Answers**

*in percent*

<table>
<thead>
<tr>
<th>Country</th>
<th>Negative difference</th>
<th>Positive difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estonia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Slovenia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
<td></td>
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<tr>
<td>Slovakia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Croatia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belarus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hungary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latvia</td>
<td>-10</td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source: Rose, Haerpfer, 1996 (Baltics - 1996, other countries - 1995)

An absolute majority of the countries are “optimists” (with one exception - Ukraine). Estonia is placed third. Latvia and Lithuania are “mild optimists”. Here, as earlier, we see the relationship between the evaluation of the present with the evaluation of the future: a more positive present - a more positive future.
Conclusions

The results of these surveys raise more questions than propose answers. The three Baltic countries began their reforms at the same time and the starting level of their economies was more or less the same. The survey of 1993 stated serious differences in the evaluation of the past, present and future (economic system) among the Baltic nationalities and three years later these differences became deeper. In the context of Central and Eastern Europe the distance between Estonia on one hand and Lithuania/Latvia on the other, is considerable greater than the distance of the two latter countries from some Central European countries. Using present macro-economic indicators for the explanations of differences is insufficient (in any way, the question why macro-economic differences are developing will remain).

In our opinion it would be expedient to look for the reasons of the present differentiation of the Baltic countries in the past: the level of social and economic development of the countries in the pre-war period, political realities in the last phase of the Soviet system and cultural differences determined by the long history of the nations.

References


THE LITHUANIAN ELITE:
LABYRINTHS OF ECONOMIC VALUES

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LITHUANIA

Introduction

During 1993-1997 we carried out six surveys\(^1\) of the Lithuanian elite with the aim of covering the economically active elite, i.e. the groups of the elite which exercise an influence on the economic profile and the climate of economic activity of Lithuania\(^2\). The sample was conducted on the principle of the “position”\(^3\) i.e. encompassing the individuals who had certain posts. Thus, the analysis of values and their dynamics\(^4\) not of concrete personalities, but of concrete positions was made. Such an analysis has its advantages and disadvantages. On the one hand, it is clear and quite simple, on the other, however, it is not capable of covering the elite of value (“gray cardinals”), and, owing to this specifics, in the observation of the dynamic processes, the changing values of social positions (top “chairs” of social institutions or, to use the term of G.Mosca, the predominant “classes”) and not those of concrete persons are revealed. The latter circumstance might be treated as an advantage for the survey and the sample, since it enables to examine the change in the attitudes and values of the individuals taking the key positions of the institutions, and not of the “elite at large” (i.e. disregarding the elite which is making way upwards, but has no influence as yet, and the elite which has lost its position, whether, temporarily, or for good).

We did not aim at conducting a comprehensive study of the elite, both of its values, structure and biography (the mechanism of recruitment) etc., since such an investigation involves not only a relatively long preparatory work and research, but considerable financial resources as well. These factors are sufficient to discourage such type of investigation even in rich countries which allocate considerable amounts for research needs, e.g. Germany, which has conducted, all in all, only four surveys of the kind: in 1968, 1972, 1981, and in late 1995\(^5\). In Lithuania, the required conditions for this type of research are lacking. The results of these expensive and infrequent studies are, naturally, of great interest for the academic circles, and the data obtained, together with their interpretations, are sufficient to “feed” sociologists and specialists of political science for prolonged periods of time, becoming object of scrutiny and interpretations. However, in our case, the investigation was, in force of limited resources and scientific interests, directed in a specific trend, which has been regularly followed since 1993.

The surveys have been concentrated on the examination of economic and, in part, political attitudes of the elite, and on their decoding, i.e. by what values and what paradigms of thinking the minds and hearts of the national elite are guided in
adopting decisions crucial for national economy, or, in making assessment of these
decisions. The first five surveys conducted in 1993-1995, coincided, in the political
calendar of Lithuania, with the flourish period of the LDDP. The survey was
started in April 1993 when the LDDP majority of the Seimas had already slightly
adjusted itself to the new role, and the fifth survey was completed in mid-December,
1995, just before the banking crisis, caused by the A. Slezevicius government, which
turned into the beginning of a rapid and profound crisis of the LDDP. Thus, the
surveys depicted an economic-political portrait of the Lithuanian elite during the
thriving period of the LDDP. The sixth survey was conducted in March-April,
1997, i.e. not long after the parliamentary elections at the end of 1996. Since we
were concentrated on the positional elite, essential changes in the parliament had,
naturally, a considerable effect on the composition, and alongside, on the values of
the political elite. For the sake of precision, it should be noted that during the period
covered by the survey the rest of the “positional” elite of the panel was not stable
either, however, its change was proceeding gradually: the move was observed
among the production managers and functionaries, and to a lesser degree, among the
representatives of science and the media participating in the survey. Here, we
propose a summarized version of the more important findings of the survey.
The ideology of the research was considerably influenced by the works of the
elitology classics, Vilford Pareto, Gaetan Mosca, Robert Michels, Joseph A. Schumpeter, and others. Not all the attitudes of the above authorities are fully
acceptable to us, however, in the work, we had to be guided by the traditional
deinition of the elite started by them, which rests on some key elements. First, the
tradition holds, that in any community, a small, however, a highly influential group
of people, which rules the community, may be singled out. Second, the elite theories
note on the organizational ability and the specific psychological outlook
characteristics of the representatives of the elite, which help them to move upwards,
to consolidate their position on the top, and to manipulate the masses. Third, all the
theories of the elite note, in one aspect or another, on the specific development the
elite (selection of the elite ranks, its circulation). Fourth, all the theories recognize
the elite’s great independence from the masses. Fifth, the majority of these theories
recognize that the elite expresses, through its activities, attitudes, and psychological
properties, the generalized ideas approved of by the society. Owing to the latter
circumstance, the elite is both important, for its responsibility, and interesting, for
the social specifics and representatives of its world outlooks (the elite represents
social values in a specific way).

Characteristics of the Elite Groups

Different groups of elite are characterized by different interests and different
attitudes. Application of the right-left scale in surveys 1 – 5 (1993/95, when the
LDDP was the ruling party of Lithuania) revealed the existence of two “camps”.
Business and media elite was often distinguished by liberalism, even a radical one.
The opinions of these two groups of elite are often similar: support for a steadfast
and larger – scale privatization, approval of measures which curtail the powers of
the government, opposition to the intensification of the regulation on the part of the
state. The businessmen and journalists are more in favor of the liberalization
measures addressed at reviving the economy, eliminating shadow economy and
fighting the corruption. The elite of these groups has less confidence in the government of Lithuania, the Lithuanian currency Litas, speak in favor of the formation of non-deficit budget, irrespective of all "temporal difficulties". In this respect, this elite represents, mostly, the rightist orientations. In terms of age, it is the group which basically represents the young, new elite.

Liberalism of the business elite is generated more by pragmatic motives than by ideological incentives. Therefore, in cases where the "classical" interest "prompts" that liberalism does not pay, the businessmen do not resort to it. For example, they are the most active proponents for defending the Lithuanian market through the customs system, they support the idea that socially vulnerable people should be taken care of by the state, etc. Some inconsistencies of such thinking will be discussed further. For the time being, a remark that a system of values predetermined by pragmatic interests is not compatible logically, will suffice. An approval of the idea that the state has to care of pensioners or to ensure the wellbeing of the population, is not compatible with the ideas about the necessity to decrease the interference of the state in the socio-economic processes.

In surveys one to five (1993-1995 – the years when the leftist Democratic Labor Party was in power), another wing, of a more leftist orientation, was represented by the *political and scientific elite*. It expressed, mostly, the opinion of the socialist-oriented, conservative and advanced in age elite, which is less open to the innovations and capitalist elements, and it is quite natural: at the time of the survey the Seimas (Parliament) was represented by the LDDP which was enjoying a solid majority, and which included in its ranks a number of executives bred by the previous system. This applies, in a way, to the community of the Lithuanian economic scientists, as well.

However, the parliamentary elections at the end of 1996, made a radical shift in the distribution of political forces at the top of political structures of the country. The election opened way to the Seimas for the rightist forces. A survey conducted in March-April, 1997, registered a significant shift to the right of attitudes and values among the political elite. Taking into account the fact that our analysis was based on the “positional" selection, covering certain posts and not the concrete persons, such a result, following the radical reshuffling of the Seimas was only natural. The political elite was composed, as in the earlier years, of the members of the Seimas and advisers of the parliamentary fractions. However, following the parliamentary election of 1996, the composition of the Seimas changed radically, which led, naturally, to considerable changes in the attitudes of this elite.

The party preferences of the political elite, thus, political orientations as well, experienced the most pronounced changes. The parliamentary election and the changed composition of the Seimas had the greatest effect on the number of supporters for the LDDP and the Homeland Union (the Lithuanian Conservatives).

Whereas in the earlier surveys, 14-17 per cent of the elite expressed support for the LDDP, in this survey the party drew a support of 2.8 per cent. The specifics of the Lithuanian electoral system and the dynamic political changes of the society led to a situation where the approaching second parliamentary election revealed a certain disproportion between the party preferences of the society and their representation in the Seimas. Among the members of the Seimas, the supporters of the LDDP outnumbered the other elite groups or the general public by 2-3 times. The proportional election system and the bar applied for the parties has been, in part,
responsible for a similar situation in the current Seimas. The mean level of the party preference among the elite in general, was outweighed, in this survey, by the level of the Seimas members’ preferences for the Christian Democrats and the Conservatives, although in the previous surveys, the percentage of supporters of these parties in the Seimas was close to the average overall elite assessment. Following the second parliamentary election, the rating of the Christian Democrats dropped drastically in all the elite groups except the politicians. The party which has been growing for years, has now been pushed to the shadow of the Conservatives. The same is true for the LDDP. The supporters of those both parties are dominated by the elite, aged fifty and over. The changes in the composition of the elite had impact on its attitudes. The political values of the members of the second Seimas have significantly shifted to the right, and in this respect have even surpassed the right-oriented elite of the media and business.

The attitudes of the functionaries, the elite group covered by the fifth survey, balance between the positions of the two blocks. On issues of radical reforms, the functionaries are more cautious and inclined to use the administration mechanism rather than liberal measures of self-regulation. In this they remind of the political and scientific elite of the LDDP period. However, in separate spheres, where the helplessness of the state regulation has become obvious, the assessment of the functionaries becomes liberal, thus approaching the position of the media and business elite.

The types of elite groups described here are not absolute, but rather relative. On certain issues, inter-group differentiation of the elite either does not exist or has different forms, or, is more pronounced in other aspects (age, party preferences, left-right orientation, etc.). The influence of age on different orientations of the elite is insignificant; if certain differences exist, they are mostly trivial: older individuals speak in favor of the participation of the state in economic life, and are less bent on the privatization of different branches of the economy, etc. Attitudes of the elite are considerably influenced by party and political orientations.

**Economic Values and Declarations**

Irrational sources often give impetus to the actions of the people. According to V. Pareto, this is also true of the elite. However, the elite, like the common people does not want to be (look) illogical and irrational. Therefore, it tries to disguise its irrationality, to make the activities rational, in the words of V. Pareto, to develop extra logical derivatives ("derivazione") for its activities. However, according to the classic of elitology, not the "real" ideas, but rather emotions presented as the "ideas" are the driving force of the elite activities. Perhaps V. Pareto was exaggerating, however, his words are mostly true. The ideas of the classic of elitology seem very much to the point with respect to the inadequacy between the economic rationalizations and value declarations offered by the elite, and the practical decisions made. The Soviet Union was ruled by the nomenclature of a dual nature which had two different lives – the public and the private. Lithuania seems to be ruled by a similarly double-faced elite. The values and attitudes propagated by it often serve, merely, as a window-dressing for the practical actions contrary to the ideas proclaimed. One thing, about what is good to Lithuania, is believed and said, and another is done. Life is shrouded in the mirages of deception and self-deception.
It seems quite likely that the masses also prefer such miracles to the unpleasant scene of a dismal life. V. Pareto argues that such a disproportion between the words and the actions, between the ideals pronounced and the strivings, is typical for any elite in general, and not only for the elite of a certain country. However, even if such an assertion is accepted, we have our Soviet experience of living a double life of dual values, where two-three generations of people were forced to accommodate to the world in which the officially declared and “private” values do not communicate.

The world outlook of the Lithuanian leaders was formed during the Soviet period when legal economy was in the hands of the state and regulated by it. Even then, the majority of the Soviet-bred intellectuals learned to hate the state, and in the conditions detrimental to individualism, managed to arrange their life on individualistic lines. None-love for the state did not stop them, however, from making use of its services, of its benefits wrought away by dishonest ways, and of its officials principles. Hypocrisy and a duality of nature frequently was a natural state of the individual. Upon the dissolution of the Soviet regime, the mass consciousness was overcome by a desire to get rid of the old spiritual heritage, the old values and the cannons of life. A rapid change of values was taking place. Suddenly, within a year or two, it became somehow indecent to admit that one holds the leftist views or to defend a decisive role of the state in the economy. In denying the Soviet-type economic management, the denial was extended on the necessity to regulate economic relations, a turbulent unpredicted initiative and its chances of optimal self-regulation was admired. Such extreme attitudes in the re-evaluation of values, did not hold a universal character, however, they gave a precise picture of the ongoing processes in the most radical aspect of changes, that of libertarianism. On the lips of the libertarians, the power, the state, became a synonym of evil, and the regulation of the market was considered the ruin of it. Thus, the previously officially declared values were easily replaced by the new, publicly declared values. This change was neither painful nor long, because the old value declarations had long since turned into a hollow image. The inner split of the personality was, however, much more difficult to overcome: supplying the new acquired values with a harmonious set of inner imperatives for action and evaluation motives, was no simple matter.

In April 1993, when we started our first survey, the libertarian ideology was at its peak. At that time, the question “What type of economic order do you support?” (Table 1), was responded by as many as one third of the elite: “Market economy, with a dwindling state sector and regulation”. Among the journalists and businessmen this view was upheld by nearly a half! However, these declarations of libertarian attitudes were in contrast with the inner motives of the elite: only 8,1% of the elite surveyed, spoke for a large-scale (80-100%) privatization of railroads, 5,4% - in favor of the privatization of power plants, 16,7% - social insurance, 13,7% - culture institutions, 25,7% - city public transport, 24,2% - radio and TV, etc. Well, but apart from these 30 per cent who were in favor of dwindling participation of the state in the economy and a dwindling regulation there of by the state, there were another 58 per cent of the elite who advocated a minimal regulation of the economy by the state and a decreasing share of the state sector! Therefore, we had to state that the practical consciousness of the elite is not adequate to its value declarations. More examples of such an inadequacy could be supplied: investments are desired,
but nothing is done to encourage them: complaints about high taxes are made, however, with all the powers on hand, no steps are taken to decrease them; long stability of the national currency Litas is doubted, however, free circulation of foreign currencies is banned; foreign banks are trusted, advantages of their foundation and operation in Lithuania are acknowledged, however, obstacles are put in the banks’ way to Lithuania. Thus, we see what a gap between the value declarations of the elite and daily practices exists. The ideas of V.Pareto on the irrationality of the human nature seem very much in place here. The classic of elitology was right in asserting that the heads of the elite are ruled not by “real” ideas, but by emotions presented as “ideas”, that the ruling elite is, actually, a veritable source for the distortion of reality and its destroyed rationalization.9

**TABLE 1**

What Type of Economic System the Elite Supports

A. Mean value of the 1993-1995 survey findings (in percent)

<table>
<thead>
<tr>
<th>Type of market economy</th>
<th>Mean value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>04-05 11-12</td>
</tr>
<tr>
<td>Centrally planned</td>
<td>0,6 0,3</td>
</tr>
<tr>
<td>Market economy with very large state sector and regulation</td>
<td>5,4 12,4</td>
</tr>
<tr>
<td>Market economy with large state sector and regulation</td>
<td>12,6 13,6</td>
</tr>
<tr>
<td>Market economy with small state sector and regulation</td>
<td>58,2 64,6</td>
</tr>
<tr>
<td>Market economy with dwindling state sector and regulation</td>
<td>30,7 21</td>
</tr>
<tr>
<td>Other or no answer</td>
<td>5,1 1,7</td>
</tr>
</tbody>
</table>

B. The November-December, 1995 survey data (in percent)

<table>
<thead>
<tr>
<th>Type of market economy</th>
<th>Professional groups of elite</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td>Centrally planned</td>
<td>0,9</td>
</tr>
<tr>
<td>Market economy with very large state sector and regulation</td>
<td>0,9</td>
</tr>
<tr>
<td>Market economy with large state sector and regulation</td>
<td>19,7</td>
</tr>
<tr>
<td>Market economy with small state sector and regulation</td>
<td>65</td>
</tr>
<tr>
<td>Market economy with dwindling state sector and regulation</td>
<td>11,1</td>
</tr>
<tr>
<td>Other or no answer</td>
<td>2,4</td>
</tr>
</tbody>
</table>
As the time goes, a revision of declarative values is attempted in order to fill them with a more concrete content. The voice of the libertarians in the press has subsided and their leaders have discredited themselves. Admitting that you are not completely pure and a consistently rightist capitalist, does not seem so "horrible" any longer. Thus, the value declarations of the elite have been changing, and fast. From April-May, 1993 to November-December, 1995, the number of supporters of the economy with the dwindling state sector and regulation, fell by more than twice, and among the journalists and businessmen - by three-four times. Furthermore, not only the value declarations of the elite were shifting to the left, but the decisions on the volumes, speed of the privatization, dictated by practical reasoning, as well. But the shift of practical reasoning to the left was proceeding rather slowly. For example, non-financing of agriculture from the budget was proposed by 31,2% of the elite in April-May, 1993, 14,5% - in May-June, 1996, correspondingly, of radio and TV - 20,1% and 16,1%, of food industry - 74,9% and 60,5%, health care - 2,2% and 0,8%, etc.

In the last survey of March-April, 1997, the question on the respondents' attitude to state regulation and the size of the state sector was put in a different way. The responses to the new wording showed more explicitly that the elite is slightly more inclined to support state regulation than state sector: large state sector was supported by 5,9% of the elite, large state regulation - 7,9%, moderate state sector - 62,5%, regulation - 69,2%, dwindling state sector - 29,4%, regulation - 21,5%.

The rewording of the question does not allow to make comparisons with the findings of the previous surveys. However, in general terms, it could be assert that this survey has registered a shift to the right of value declarations of the elite. It could be assumed that the parliamentary election of the late 1996 and, consequently, a radically changed composition of the Seimas where the majority was won by the rightist parties - the Homeland Union (Lithuanian Conservatives) and the Christian Democrats, had a decisive effect on this change. The new Seimas, with the right parties enjoying an absolute majority, has turned, from the stronghold of leftist attitudes and values, into a proponent of rightist attitudes and values: whereas, previously, the groups of politicians and functionaries were placed, quite unanimously, on the left side of the scale of economic evaluations, now, the politicians have turned into the elite of extreme rightist views surpassing on many issues the businessmen and journalists, who had defended the rightist position in the previous surveys, and on the scale of economic evaluations have moved in an opposite direction from the functionaries still holding the leftist views.

As many as 37,5% of politicians, 34,5% of the businessmen, and twice as few - 18,8% - of the functionaries, favor the dwindling state sector. A similar distribution of opinions is seen in the field of state regulation: 26% of the politicians, 29,2% of the businessmen, and 13% of the functionaries, support a dwindling state regulation.

The changed wording and scale, as well as the panel under survey do not allow to make full comparisons of responses on this issue with the findings of the previous surveys. A partial comparison of a notable move to the right of the elite attitudes to approach the situation witnessed in the April-May, 1993 survey (30,7% of the elite were in favor of a dwindling state sector and regulation, 58,2% - of moderate, 5,4% - of large). However, the responses to the rest of the "control" questions, i.e. on privatization do not enable us to make such a radical conclusion but rather make us think in its attitudes the elite has moved to the right but insignificantly.
Economic Structure of an Ideal State

At present, the state performs different economic and social functions. Which of them are necessary, which should be changed? As many as 77,7% of the Lithuanian elite declare a necessity of limiting the functions performed presently by the state (Table 2): 38,6% support the idea unequivocally, 39,1% rather approve than disapprove of it. 52,9% of the journalists, with the largest proportion of young respondents among them, are the most radical supporters of restrictions.

<table>
<thead>
<tr>
<th>Responses</th>
<th>Mean</th>
<th>Politicians</th>
<th>Businessmen</th>
<th>Journalists</th>
<th>Functionaries</th>
<th>Scientists</th>
</tr>
</thead>
<tbody>
<tr>
<td>yes</td>
<td>38,6</td>
<td>43,3</td>
<td>34,4</td>
<td>52,9</td>
<td>30,4</td>
<td>38,5</td>
</tr>
<tr>
<td>more approve than disapprove</td>
<td>39,1</td>
<td>33,9</td>
<td>40,9</td>
<td>31,4</td>
<td>41,2</td>
<td>40,4</td>
</tr>
<tr>
<td>more disapprove than approve</td>
<td>10,9</td>
<td>8,7</td>
<td>11,8</td>
<td>7,8</td>
<td>12,7</td>
<td>13,5</td>
</tr>
<tr>
<td>disapprove</td>
<td>8</td>
<td>9,6</td>
<td>4,3</td>
<td>3,9</td>
<td>11,8</td>
<td>7,7</td>
</tr>
<tr>
<td>do not know</td>
<td>3,5</td>
<td>8,6</td>
<td>3,9</td>
<td>3,9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

However, such a declaration of a necessity to limit the functions performed by the state is insufficiently corroborated by the elite’s views on what functions and to what extent should be undertaken by the state. Thus, one in five of the elite think that the state must ensure the material welfare of the population, nearly a half (46,5%) think that the state is partially responsible for it, and one in four think that the state’s role in this is but marginal. And only 4,3% speak against the state caring for the welfare of population. If the first group is considered supporters of a considerable interference of the state, the second and third —of moderate, the fourth —of a dwindling interference of the state in the matters of economy, it is clearly seen that the value declarations of the elite, do not, just as before, correspond to their practical interests. The disproportion is the greatest in the groups of businessmen and journalists. The supporters of the Conservatives are mostly concerned about taking the obligation of care for the citizens’ welfare off the state’s shoulders (29,4% speak against such care, 25,9% - in favor of a very limited care only), the supporters of the Centrists correspondingly, 17,6% and 29,6%) and of the Liberals (9,1% and 38,6%). The Liberals and the Center union of Lithuania have consistently and constantly, declared the ideas of “small” powers of the state, therefore, the ideology of the supporters of these parties is based on the ideological kinship of the individuals and the parties. Meanwhile, liberal thinking of the Conservatives is generated not only by the liberal world outlook, but also by the realization of the responsibility, which the assumption of power and of limited opportunities in the field, impose.
The value attitudes of the elite on the interference of the state in the economy, are adequately verified by the responses to the question, whether the state must protect the Lithuanian market from the international competition. Table 3 reveals that in this respect the quality indicators of all the elite groups are similar to the previous ones, with only a small towards an increased interference of the state. Firm believers about the obligation of the state to protect its market from competition are mostly found among the businessmen (37%0 and politicians (31,7%), on the other hand, the idea, with some reservations, is supported, practically, by all. Well, some elite express a wish, and the others have power to enact it by law...

**TABLE 3**

<table>
<thead>
<tr>
<th>Is The State Obliged? (in per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses</td>
</tr>
<tr>
<td>To ensure material welfare of the people</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>To protect Lithuanian market from competition</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>To ensure security of the people</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>To impose control measures for the protection of morals (erotic literature, etc.)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>To impose control on mass media</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Selfishness of the businessmen’s interests is obvious and understandable: to make one’s life by putting a ban on international competition. However, similar responses of other elite groups demonstrate the “type and level of their economic culture”.

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Streamling Towards Social Stability

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Probably, the statement that the majority of the elite (and the public at large as well) have decided: 1) to buy goods of Lithuanian production only, even if they have more expensive because of the duties; 2) to lose any opportunity of buying something because the scanty resources have been spent on the goods which were made more expensive by the duties, would be erroneous. Most probably, only some of them are consciously aware of the outcome for themselves and other consumers should such a realization of political-economic values be pursued, whereas, the majority have no notion about the outcome. It is not surprising therefore that the scientists who are well-informed on the outcome of such a policy, are the least enthusiastic about the protection of the Lithuanian market from competition. The “own economy” policy pursued by political means, is beneficial, first to those who are not capable of working well and not even to all of these, but, rather, to the ones only who manage to protect their interests by lobbying, whereas the losers become all, since the general dynamics of consumption, weak as it is, is crippled further: inefficient operation of some sectors of business is paid by all. The surveys contain more facts illustrating the protectionist attitudes of the Lithuanian elite. For example, the majority of the elite (54.5%) think that providing support to business entities from the budget is permissible, and only 39%, that it is not. The majority of the opponents for such a support are found among the supporters of the Lithuanian Liberal Union (52.3%). However, even among the supporters of this party, 43.2% think the reverse. Responses to the question whether the state has to impose control on morals and on mass media, was a strong differentiating point of the elite, which clearly grouped the journalists on the one side. The latter, differently from the other groups of the elite, spoke resolutely against the interference of the state in these matters of life: 42.1% of the journalists think that the state has to exercise a very limited influence over morals, while 17.6% think that it must not do it. Correspondingly, 15.7% of the journalists came out in favor of a limited control of the mass media, and 74.5% - against it. Here as well, as we see, liberalism is related to professional competence and awareness. The outlook is also influenced by the political orientations of the respondents. The opponents to the interference of the state into the sphere of morals are mostly found among the supporters of the Liberal Union and the Center Union, while the adherents of the Christian Democrats and the Conservatives mostly speak for such an interference. Control of mass media on the part of the state, is opposed the strongest by the Liberals and, to lesser degree, by the Social Democrats and the Conservatives.

The data of Table 3 demonstrate that among the Lithuanian elite, the level of the liberalism of values is not high in other respects, as well. The elite is nearly 100% sure that the state has to ensure the security of the people. But in Lithuania, alongside the strengthening market economy, crime and the helplessness of the state to combat it, are becoming more obvious. At the same time, the indifferent stance of the society is getting quite alarming. The state, which according to the society and to the elite, should protect the society, is incapable of doing so, on the other hand, the society, could become more active, however, it is not used to... E.Durkheim might have been right in arguing that crime performs an integrating role in the society, that it consolidates its morals and jurisprudence, but, we could ask what amount of crime is needed to consolidate the society disintegrated by the Soviet life-style, and
when an effect of such an integration can be seen, if the current situation does not yet seem ominous enough.

**Assessment of the Past, Present, Future**

The Lithuanian elite was asked to assess, on the scale of twenty points (-10 to +10) points, the economic situation of the country, ten years ago, two years ago, at present, in two years time, in ten years. The results obtained have shown that most controversies rise over the evaluation of the historical past reaching into the present, which are supplemented with all kinds of ideologems, cliches, and individual scales of a "just", "useful", "good", etc., society. Assessments of a distant future are mostly influenced by the social climate and the psychological qualities of the respondent. Since it seems that the elite groups of different political orientations are composed of an approximately equal number of pessimists and optimists, and the psychological climate of the groups is practically the same, the prognostications of the future made in the groups, are alike. Such considerations suggest that evaluations of the past and present are subordinated to ideological, and of the future, to psychological motives.

Different elite make quite contrasting assessments of the socialist period economy of Lithuania (Table 4). The differences become particularly obvious between the supporters of different parties, and between the right and the left. Thus, the adherents of the left Lithuanian Labor Democratic party make a positive assessment (+5.8 points) of the economic situation of a distant past, while the supporters of the opponent party – the Conservatives – are rather critical of the economy of the period (0.7 points). Since the question was included in four surveys, it is obvious that the more distant the socialist past becomes, the brighter it looks for the left (supporters of the LDDP: 09-10, 1994 - +3,3 points; 05-06, 1995 - +5,1 points; 11-12, 1995 - +5,7 points; 03-04, 1997 - +5,8 points), and the less repulsive for the right (supporters of the Conservatives: 09-10, 1994 - -1,9 points; 05-06, 1995 - +0,5 points; 11-12, 1995 - +0,4 points; 03-04, 1997 - +0,7 points). The present is also assessed increasingly less negatively: in 03-04, 1997 - +0,8 points (11-12,1995 - -1,8 points; 05-06,1995 - -3 points; 09-10, 1994 - -3,2 points).

<table>
<thead>
<tr>
<th>Elite groups</th>
<th>Party adherence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td>10 years ago</td>
<td>1,5</td>
</tr>
<tr>
<td>2 years ago</td>
<td>-0,2</td>
</tr>
<tr>
<td>At present</td>
<td>1,3</td>
</tr>
<tr>
<td>In 2 years' time</td>
<td>3,5</td>
</tr>
<tr>
<td>In 10 years</td>
<td>6,6</td>
</tr>
</tbody>
</table>

**Assessment of the economic situation of Lithuania:**
1) 10 years ago; 2) 2 years ago; 3) at present; 4) in 2 years time; 5) in 10 years (assessment scale of +10 to -10 points: data of the 03-04, 1997 survey)
To what degree have the elite prognostications on the prospects of Lithuanian economy proved correct? An answer to the question may be received from the comparisons of the average future or past prognostications of the Lithuanian elite with the assessments of the “present” economic situation of the year in which the assessments were made. Thus, in the 09-10, 1994 survey, the elite gave the “present” economic situation an assessment of −3.2 points, and the forecasted situation “in 2 years time” was given −0.8 points. Two and a half years later (03-04, 1997) the “present” economic situation was given +0.8 points (i.e. the evaluation surpassed the forecasts), and the situation two years ago given −0.8 points (i.e. the situation of two years before seemed less negative than it had at the time), therefore, a guarded assertion could be made that in the period of crisis (when the elite gave, on average, a negative assessment) the prognostications for the development of the nearest two years were more pessimistic than the results of the development. Equally, the “present” economy in crisis seemed more pessimistic than the same situation from outlook of a progressive economy two years later (Table 5).

Assessment curves of the present-future (growth trajectories of the Lithuanian economy) given by all the elite groups, are similar in shape and denote a similar growth rate (i.e. the prospect curves have similar tendencies of rise, although, between the different groups of the elite, quantitative differences of the assessment of different stages exist). Party adherence of the respondents is the decisive factor which modifies the assessment of the past-present-future. The supporters of the Conservatives and the Christian Democrats in treating the results of their past activities, have “caught” the optimism of the supporters of the previously ruling LDDP, whereas the latter have overtaken the skepticism of the Conservative and Christian Democrat supporters.

<table>
<thead>
<tr>
<th>TABLE 5</th>
<th>Survey date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>09-10, 1994</td>
</tr>
<tr>
<td>10 years ago</td>
<td>1.2</td>
</tr>
<tr>
<td>2 years ago</td>
<td>-2.2</td>
</tr>
<tr>
<td>At present</td>
<td>-3.2</td>
</tr>
<tr>
<td>In 2 years’ time</td>
<td>-0.8</td>
</tr>
<tr>
<td>In 10 years</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Average assessment of the economic situation in Lithuania by the elite: 1) 10 years ago; 2) 2 years ago; 3) at present; 4) in 2 years time; 5) in 10 years (Assessment scale from -10 to +10 points)

Thus, the Lithuanian elite holds an optimistic view of Lithuanian economy in the future. The future looks equally bright for all the groups of the elite. What type of economy is the most appealing for different groups in a distant perspective? To put it in a different way, the economy type of which country should be followed? It appeared that the majority of the elite like the European type of economy best (66%). The USA and Canada were mentioned by 10.7%, Japan – by 2.2%, Israel – by 0.5%. The preferences of the “Eurocentrists” are unevenly distributed on the European map. 32.4% give preference to the Scandinavian-type economy (Sweden
- 15.1%, Denmark - 6.9%, “Scandinavian countries” – 6.3%, Norway – 3%, Finland – 1.1%). Next in popularity are placed the countries of the “Germanic” type – Germany (23.1%) and Switzerland (3.3%).

**What Lessons Has the Elite Drawn From the Lithuanian Experience?**

It appears that the lesson in history has been taken in varying degrees. Half of the elite support the idea that restructuring of the economy should have been carried out faster than was the case in Lithuania.

*Rule of the Lithuanian Democratic labor party: economic situation*

The Lithuanian elite has given the economic policy pursued by the LDDP government a negative assessment, at varying points of the scale. The general trend of the economic reform of the government has been given a positive assessment by 24.5% of the respondents, 21.7% have been neutral, while 51.9% have given a negative and extremely negative assessment (Table 6).

The economic reform carried out by the LDDP has been criticized on its basic issues. The majority of the respondents consider the policy to have been chaotic (56.9%), and the results of it – negative (60.9%). The results have been given a positive assessment by only 17.5%, a neutral evaluation – by 21.1%. Only 5% have thought that the strategy of the reform was well-planned and clear, while 33.7% thought the reverse. In the opinion of the Lithuanian elite, the shortcomings of the economic reform were the following: unsystematic, inconsistent, covering an insufficient proportion of the economy.

**TABLE 6**

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Professional groups of the elite</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td>Creation of economic freedoms</td>
<td>2,2</td>
</tr>
<tr>
<td>Monetary system</td>
<td>4</td>
</tr>
<tr>
<td>Credit and banking system</td>
<td>0,9</td>
</tr>
<tr>
<td>Taxation system</td>
<td>1,1</td>
</tr>
<tr>
<td>Exports and imports</td>
<td>1,8</td>
</tr>
<tr>
<td>Privatization</td>
<td>-0,1</td>
</tr>
<tr>
<td>National government</td>
<td>0,7</td>
</tr>
<tr>
<td>Law and order</td>
<td>-0,9</td>
</tr>
<tr>
<td>Social security</td>
<td>0,6</td>
</tr>
<tr>
<td>Culture and education</td>
<td>0,6</td>
</tr>
<tr>
<td>Local government</td>
<td>0,4</td>
</tr>
<tr>
<td>Reforms in general</td>
<td>1</td>
</tr>
</tbody>
</table>
The businessmen, who are primarily involved in economic activity and are able to make sound judgement, think that the most hindrance in the way of entrepreneurship was made by: excessive taxes (7.5 points of negative influence on the scale of 10 points), high credit interest (7.6 points), frequently changed legislation (6.9 points), corruption (6.2 points), sluggishness of bureaucrats 96.0 points), duties and licenses (6.0 points), rampage of the Mafia (5.3 points). Thus, the external hindrance is, according to them, more powerful than the internal. Other groups of the elite – politicians, scientists, functionaries, consider the internal factors – lack of investment, expensive credits, etc., to have a greater negative effect on the development of business. On the other hand, they also admit an important negative role played by bureaucratic sluggishness (5-7 points), the rampage of the Mafia, high taxes, i.e. the external factors.

What influences the economic policy of Lithuania?

According to the elite, the framing of the Lithuanian economic policy is influenced, the strongest, by the parliamentary majority and the Government (Table 7). Another tier of influential agents is composed of foreign countries and different lobbyists (businessmen, “other” lobbyists and criminal structures). Specifically, the criminal structures are accorded a considerable role in the formation of the country economy. Even the political elite has granted these structures 3.5 points for their influence. Democratic sources of influence – opposition, political parties, public opinion, form, alas, only a third round of influential factors! Thus, the situation is not bright. I think, these evaluations deserve a more serious consideration, because they illustrate the state our political culture is in.

When the Conservatives and the Christian Democrats came to power, the rating of the influence of western countries increased (at present – 4.9 points, at the end of 1995 –4.2 points), the assessment of the effect of business organizations rose to 4.5 points from 4.2 in 1995, the evaluations of the role of the parties 94.0 from 3.1) and of public opinion (3.5 from 2.5) improved. These are good changes, however, the problem of democratic influences on the authorities remains topical.

The latest survey, as well as the previous ones, has revealed that the influence of external factors (other countries), lobbyist forces and criminal structures 9 at 4.1 points, previously –4.2 points) have been ranked second in importance among the influential factors.

It is to be noted with satisfaction that the assessments of the elite, the influence level of the political parties has caught up with the influence of the first group factors, and that the influence of public opinion has been growing too. Unfortunately, the importance of the Seimas opposition remains a third-rate factor of economic policy (2.4 points, previously – 2.5 points). However, different groups of the elite have different opinions on the importance of the latter factors. The politicians, unlike the other groups of the elite, assign more importance to political parties (4.5 points) and public opinion (4.2 points), and less importance to criminal structures (3.5 points). The politicians rate the impact of the government on economy higher (8.6 points) than the others. The businessmen are more skeptical about the influence of businessmen and their organizations (3.8 points), public opinions (3.0 points) , political parties (3.4 points). In the opinion of the businessmen (4.4 points),
journalists (4.5 points) and scientists (4.6 points), the impact of criminal structures is considerable.

| TABLE 7 |
| Rating of Influence Factors on State Economic Policy, in Points |
| (Assessment scale from -10 to +10 points, data of the 03-04, 1997 survey) |

<table>
<thead>
<tr>
<th>Professional groups of elite</th>
<th>Politicians</th>
<th>Businessmen</th>
<th>Journalists</th>
<th>Functionaries</th>
<th>Scientists</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority of Seimas</td>
<td>7.9</td>
<td>7.9</td>
<td>7.3</td>
<td>7.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Opposition of the Seimas</td>
<td>2.4</td>
<td>2.7</td>
<td>2.0</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Government</td>
<td>8.6</td>
<td>7.5</td>
<td>6.9</td>
<td>7.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Eastern countries</td>
<td>3.8</td>
<td>4.1</td>
<td>3.5</td>
<td>3.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Western countries</td>
<td>4.9</td>
<td>4.7</td>
<td>4.8</td>
<td>5.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Political parties</td>
<td>4.5</td>
<td>3.4</td>
<td>3.6</td>
<td>4.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Public opinion</td>
<td>4.2</td>
<td>3.0</td>
<td>3.5</td>
<td>3.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Criminal structures</td>
<td>3.5</td>
<td>4.4</td>
<td>4.5</td>
<td>3.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Businessmen, their organizations</td>
<td>5.1</td>
<td>3.8</td>
<td>4.3</td>
<td>4.9</td>
<td>4.6</td>
</tr>
<tr>
<td>Other lobbyists</td>
<td>3.1</td>
<td>2.7</td>
<td>3.9</td>
<td>2.8</td>
<td>3.3</td>
</tr>
</tbody>
</table>

In the latest survey, party adherence of the respondents had a greater impact on the responses to the question about the influence of lobbyist structures, criminal included, on economic policy of Lithuania. Importance of criminal structures is rated the lowest by the supporters of the parties which have already been in power: the LDP (2.6 points), the Conservatives (3.2 points), the Christian Democrats (3.6 points), and the highest – by the supporters of the parties still striving for power: the Social Democrats (5.2 points), the Liberals (4.4 points), the Centrists (4.7 points).

Sociology and political theory have been strongly influenced by the Italian sociologist of German origin, R. Michels, who has been known, in the textbooks of sociology, as the propagator of the “iron law of oligarchy”, and who has devoted to the problem his most important work “On party sociology in modern democracies: investigation of oligarchy tendencies in the life of groups”\(^{11}\). The idea that the essence of the man, politics and parties does not prevent but encourages a transformation of democracy into oligarchy, could be considered the leitmotif of the book. R. Michels was the one who had predicted and marked out the prospects of fascism in Europe: fortunately, fascism did not overcome all the democratic countries and the “iron law of oligarchy” did not express the fundamental trend of democracy. Threats and fears of dictatorship have been more than sufficient in Lithuania, both now and four years ago. The authorities, feeling the power slip away, spare neither themselves nor the others with threats of dictatorship which a victory of the opposition could incur. In my opinion, however, more dangers of dictatorship arise from the Soviet archetypes coded in the heads of the masses, than the “objective” oligarchy tendencies of the elite. The reason is simple: if the masses do not oppose the emergence of dictatorship or even long for a “firm hand”, it will certainly come up, while the democratic mechanism of elections will facilitate its accession to power in a legal way. On the other hand, equating the quintessence of
all the movements, organizations, even the political parties, with the “iron law of oligarchy” is impossible for the simple reason that social phenomena cannot be explained by psychological motives alone, more so, by the ones which are only based on the ontology of social Darvinism.

The “iron law of oligarchy” by R. Michels discloses a synergetic nature of social structure: in an organized society, the elite is necessary as an indispensable component of that organization. R. Michels is right in noting that governing or self-rule, organization or self-organization provides the social system with a structure, however, he fails to see that functioning of the structure in an organized and self-organized system is not identical. Regardless of the skilled manipulations of mass consciousness and of the efforts to retain power in a democratic society, the elite must reconcile itself to the possibility of its democratic replacement. Furthermore, with the existing competitiveness of elite groups, the extent of such manipulations narrows, the chance of exposure grows, the effectivity of public opinion increases. Lithuania has no long traditions of democracy, therefore, the influence of the society on the elite is weaker than in the countries of established democracy. As we see, the elite itself (the members of the Parliament) is rather skeptical as regards the role of the public opinion.

Supporters of privileges outnumber the opponents among the business elite (52.1% - in favor of, 42.6% - against) and the elite of science (correspondingly, 56% and 38%). Tax privileges are favored most by the supporters of the social Democrats (62.5% in favor of and 35.7% - against). Tax privileges are treated most unfavorably by the politicians (54.8%), the supporters of the LDDP (54.4%), the Christian Democrats (50%) and the Conservatives (49.6%).

Shadow economy, corruption and counteractions

In the opinion of the elite, over one third of the Lithuanian economy is functioning illegally or semi-illegally. In different sectors of the economy, this indicator, according to the elite, varies from 10% (education) to 46.6% (transactions in real estate).

The question on the extent of shadow economy was repeated in the last two surveys. Over a year and a half which elapsed between the surveys, the overall and by sector assessment of the extent of shadow economy experienced, practically, no changes.

In fighting shadow economy, the elite would mostly rely on lowering tax tariffs and on a less sophisticated tax calculation system. This countermeasure against shadow economy was given 7.4 points (on a ten-point scale). Other factors – restricted control on tax collection, increased freedoms for business activity, restricted penalties for illegal and semi-legal business, were given, practically the same evaluation (5.6-5.8 points). The politicians were more inclined to a restricted control of tax collection, simplified tax calculation and increased freedom for business activity. The journalists, scientists and functionaries, backed the general opinion of the elite that lowering tax tariffs and simplifying their calculation are of key importance.
### TABLE 8
Which Sector of the Economy is Functioning Illegally or Semi-Legally
(in per cent)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate transactions</td>
<td>46.6</td>
</tr>
<tr>
<td>Retail trade</td>
<td>46.5</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>46.4</td>
</tr>
<tr>
<td>Financial mediation</td>
<td>44.2</td>
</tr>
<tr>
<td>Services (household, hotel, catering)</td>
<td>38.5</td>
</tr>
<tr>
<td>Construction</td>
<td>36.7</td>
</tr>
<tr>
<td>Industry</td>
<td>33.5</td>
</tr>
<tr>
<td>Health care</td>
<td>32.4</td>
</tr>
<tr>
<td>Energetics</td>
<td>31.9</td>
</tr>
<tr>
<td>Transportation</td>
<td>28</td>
</tr>
<tr>
<td>Agriculture</td>
<td>24.8</td>
</tr>
<tr>
<td>Communications</td>
<td>20.5</td>
</tr>
<tr>
<td>Education</td>
<td>10.1</td>
</tr>
</tbody>
</table>

Over the period, the opinion of the elite on the effective measures to combat corruption changed only insignificantly. The elite thinks that corruption should be curbed by applying the “sick and carrot” tactics (Table 9).

### TABLE 9
Effective Measures to Curb Corruption
(Assessment on a 10 point scale. Mean values given)

<table>
<thead>
<tr>
<th>Measures</th>
<th>Professional groups of elite</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td>Strict punishment for taking bribes</td>
<td>6.8</td>
</tr>
<tr>
<td>Strict punishment for giving bribes</td>
<td>5.3</td>
</tr>
<tr>
<td>Cutting down governing staff</td>
<td>4.6</td>
</tr>
<tr>
<td>Renovation of governing staff</td>
<td>5</td>
</tr>
<tr>
<td>Adequate remuneration and social guarantees for officials</td>
<td>5.8</td>
</tr>
<tr>
<td>Decreased interference of the state in the economy</td>
<td>6.1</td>
</tr>
<tr>
<td>Privatization of state property</td>
<td>6.1</td>
</tr>
</tbody>
</table>

The functionaries are, naturally, the least interested in cutting down the governing staff (3.9 points) and support adequate remuneration and social guarantees for
officials the strongest (7,2 points). The journalists and businessmen stand out among the other elite groups by a stronger support for cutting down the governing staff (correspondingly, 6,5 and 5,2 points). They are more active in supporting the decrease of the state’s interference in the economy (6,6 and 6,7 points respectively).

Economic Attitudes of Parties and Elite on the Right-Left Scale

On the scale, where +10 indicate extreme right, and –10 – extreme left attitudes, the elite was asked to evaluate left-right orientation of their own parties’ economic attitudes. In comparison with the results of the previous surveys, only one significant change, i.e. the increased rating (from +1 to 5,4) of the Homeland Union was registered. Thus, at present, the parties line up from to left as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeland Union (LC)</td>
<td>+5,4</td>
</tr>
<tr>
<td>Liberal Union</td>
<td>+4,6</td>
</tr>
<tr>
<td>Center Union</td>
<td>+3,9</td>
</tr>
<tr>
<td>Christian Democrat Party</td>
<td>+2,7</td>
</tr>
<tr>
<td>National Union</td>
<td>+2,2</td>
</tr>
<tr>
<td>Democrat Union</td>
<td>+2,1</td>
</tr>
<tr>
<td>“Young Lithuania”</td>
<td>+0,7</td>
</tr>
<tr>
<td>Women’s Party</td>
<td>-0,7</td>
</tr>
<tr>
<td>Democratic Labor Party</td>
<td>-1,2</td>
</tr>
</tbody>
</table>

The supporters of most parties of their preference, were inclined to grant these parties more right-side points than the supporters of other parties. The same was observed in the previous surveys. This time, however, one exception was noted – the LDDP. The adherents of this party give more left-side points to their party than the supporters of other parties. The principle rival party, the Social Democrats, gave to the LDDP +4 points, i.e. even more on the right side than to the Center Union.

It could be added that at present, just like previously, the supporters of the Centrists, Christian Democrats, Liberals, Conservatives and Social Democrats, rate the parties of their preference with more right-side points than their own economic attitudes. Only the supporters of the LDDP consider their party to be more left-oriented than their own attitudes.

Party Preferences. Assessment of the Parties

Party preferences of the elite are different from party preferences of the masses which over the period covered by the survey were expressed in full by the parliamentary or municipal elections. In comparison to the results of the elections, the elite mostly gives its preference to smaller, the so-called “middle-of-the-road” parties.

Party preferences of the elite are rather dynamic. In the first Seimas, even the members of the Seimas were changing them quite drastically. The more time from the elections to the first Seimas passed, the more they drifted away, in their part preferences, from the political balance seen at the time of the elections. In the Seimas, the number of the LDDP supporters was dropping with every subsequent survey. During the 11-12, 1995 survey, the party was supported by only 36,4% of
the Seimas members, whereas during the 04-05, 1993 survey the LDDP was adhered to by 51%. Thus, the popularity of the LDDP was dropping not only in the society, but among the elite landed in the Seimas on the votes of the electorate. At that time support for non parliamentary parties was registered in the Seimas: the Liberal Union (1%), the Peasant’s Union (2,5%). These findings show that support of governmental elite was shifting away from the LDDP to the other parties, which was indicative of unfavorable prospects for the ruling party, of a possible defeat and even loss of its members. Shortly after, these speculations were confirmed.

**TABLE 10**

*Support of the Elite Groups For the Major Parties of Lithuania*  
*in per cent*

<table>
<thead>
<tr>
<th>Parties</th>
<th>Support of elite for parties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Politicians</td>
</tr>
<tr>
<td>Center Union</td>
<td>9,6</td>
</tr>
<tr>
<td>Christian Democrat Party</td>
<td>8,7</td>
</tr>
<tr>
<td>LDDP</td>
<td>6,7</td>
</tr>
<tr>
<td>Liberal Union</td>
<td>3,8</td>
</tr>
<tr>
<td>Social Democratic Party</td>
<td>8,7</td>
</tr>
<tr>
<td>Homeland Union (LC)</td>
<td>51,0</td>
</tr>
<tr>
<td>Other parties</td>
<td>4,8</td>
</tr>
<tr>
<td>No support</td>
<td>6,7</td>
</tr>
</tbody>
</table>

Data of 03-04, 1997 survey.

On the scale where-10 indicates extreme left, and +10 – extreme right economic values, many Lithuanian parties were given assessment of the elite. By the average assessment, the parties are arranged, according to their economic values, from left to right as follows: the Social Democratic Party (-1,8), the LDDP (-1,2), the Women’s Party (-0,7), the “Young Lithuania” (+0,7), the Democratic Party (+2,1), the National Party (+2,2), the Christian Democrat party (+2,7), the Center Union (+3,0), the Liberal Union (+4,6), the Homeland Union (Lithuanian Conservatives) (+5,4). The distribution of the parties by the elite mirrors, in a way, the qualitative gradation of the left-right parties by the society. However, the evaluations of the elite have some essential differences from the evaluations of the public opinion: the elite polarizes the parties to a lesser degree (find fewer differences among them); it does not point out at a significant quantity difference between the “center” and the “left” parties; in the opinion of the elite, the “left” parties are less leftist, the “right” parties
- less rightist, and the “center” parties are given more points on the right side of the scale than by the public opinion.

An identical scale was applied by the elite for the assessment of its economic attitudes. The mean of the elite attitudes in early 1997 was +2,5 points (at the beginning of 1995 - +2,3 points), i.e. on the average, the elite adheres to the right center attitudes. With respect to the assessment of their own attitudes the supporters of different parties are arranged as follows: the LDDP (-2,1 points), the Social Democrat – (-1,8), the Center Union – (+1,3), the Christian Democrat – (+2,4), the Liberal Union – (+3,3), the Conservative – (+5,8). It should be added, that the “rightism” or “leftism” of the elite’s economic views is predetermined by the elite’s age: the views of the younger people are more right- orientated than the attitudes of the older ones.

In Lithuania, adherence to the leftist views is still not in fashion: the supporters gave the parties to which they support, more right points than the parties in question received from neutral respondents or from the supporters of other parties. The parties “dear” to them were given by the respondents more right points than their own views. Therefore with only the opinion of party adherents on hand, quite a different picture of a party spectrum, dominated by the right parties, with only the LDDP and the LSDP elbowing each other in the center, and with a political vacuum on the left, would be seen. Thus, the political attitudes of the elite are asymmetrical.

In this asymmetry the center of the weight has shifted to the right. The reasons of the phenomenon have already been discussed. It is mostly a revision of values made in the collective consciousness following the fall of socialism, where political and economic “rightness” was replaced by “rightism”. I think, this is why the spectrum of Lithuanian parties is so crowded in the center and on the right side. According to my estimations, among the approximately 20 parties now active politically, eleven aim at a right orientation, only two-three – at a left, and the rest claim to be considered “center”, or are not able to define their orientations at all. Thus, the elite, apart from siding with the rightist values, ascribes these values, even to a larger extent, to the party of one’s preference, at the same time granting the opponent parties left points. Nevertheless, our surveys indicate that the phenomenon of such overstated rightism has been slightly withdrawing from the thinking of the elite. This is illustrated by above figures. Thus, the number of the supporters of the market with a dwindling state sector and regulation has fallen by more than twice during the last two years: from 30,7% (04-05, 1993), to 13,8% (11-12, 1995). At the same the number of supporters of the state interference into economy, has risen from 5,4% to 15,4%. Naturally, a considerable interference of the state into economy is supported more strongly by the left parties (the LDDP – 32,2%, LSDP – 31,2%) adherents, than by the advocates of the right parties (CD – 4,9%, LC(HU) – 6,3%, liberal –0%). The attitudes, outlook orientations of the parties, are also becoming more complete, acquiring outlook dimensions and discarding stereotyped and empty ideologisms. This is particularly true of the right parties. Such an optimistic conclusion can be drawn with a view on the development of political attitudes of the Lithuanian elite which, in my opinion, is a reflection of the political processes in the country.
Notes

1 Dates of survey fieldwork:
   First survey – 04-05, 1993
   Second survey – 11-12, 1993
   Third survey – 09-10, 1994
   Fourth survey – 05-06, 1995
   Fifth survey – 11-12, 1995
   Sixth survey – 03-04, 1997

2 The surveys were conducted in the Lithuanian Free Market Institute. They were focussed on: a) the political elite (members of the Seimas, officials of the President’s Office, authorities of the executive power; overall about 105-120 respondents); b) the functionaries: advisers in the Seimas and President’s office (10-20 respondents), heads of the departments in the Ministries of National Economy and Finance, as well as the heads of economy departments in other ministries, secretaries of ministries (usu. 40-60 respondents); c) the elite of “influence” (journalists: newspaper, radio, TV journalists who write on economic issues, editors of economic publications, i.e. people shaping public opinion on economic problems (about 30-50 respondents); d) economics and social scientists, lecturers, experts from universities, state and private research institutes (about 40-60 respondents); i.e. businessmen, i.e. managers of the major Lithuanian enterprises, banks, insurance and consultancy agencies (about 100-110 respondents). Thus, the people responsible for the formation of the economic climate in the country (legislative and executive powers), for the public opinion on the issue (journalists), for giving expert evaluation and proposals (scientists), as well as those who know the market from the “inside”, were interviewed.

3 More on such sampling see: Hoffmann-Lange Ursula. Eliten, Macht und Konflikt in der Bundesrepublik.

4 In literature this sampling method is also known as “structural” or “formal”, which emphasizes that individuals belonging to certain formal structures are selected. More in detail on sampling methods see, e.g.: Gunter Endruweit. Elitenbegriffe in der Sozialwissenschaften // Zeitschrift fur Politik, Vol.26, 1979. S.30-46.

5 This survey was carried out under the programmed title “Potsdamer Elitstudie”, and at the end of last year the first collective monograph high lighting these survey was published. The survey was conducted by a large team of monographer from various research and education institutions of Germany, under the leadership of prof. Wilhelm Burklin, in the frame of a project initiated by Potsdam University. See: Burklin Wilhelm, Rebenstorff Hilke u.a. Eliten in Deutschland. Rekrutierung und Integration. – Opladen: Leske Budrich, 1997. – 482 S.

6 The Lithuanian Democratic Labour Party composed of the remnants of the transformed Lithuanian Communist Party.


12 In the last survey one exception was registered – the LDDP. The supporters of the party gave more left-side points than the supporters of other parties. The Social Democrats, the main rivals of the party, gave to the party more right-side points than to the Centre Union: +4.
THE POLITICS OF CIVIL SOCIETY

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Introduction

Few concepts in the history of political discourse can have had quite the same impact in such a short space of time as the idea of civil society. For many years confined to a relatively minor role in the history of political thought, the concept of civil society has in recent years been given not so much a new lease of life as a whole set of reincarnations. From being something of a historical curiosity to specialists in that area, it has become almost ubiquitous, deployed (amongst other purposes) as an explanatory device to account for major political changes in a whole host of different contexts, as a normative ideal for a modern polity, and as a core element in the development of a variety of political strategies. Thus there is, in the first instance, now an extensive literature applying the idea of civil society in arenas as geographically distant (and arguably equally remote in almost all other respects) as Latin America, Central and Southern Africa, Bangladesh, Sri Lanka, China, Iraq, and (the central focus here) Eastern Europe. Similarly, in the second case, there have been a number of major works on the normative aspect of civil society (Keane 1988; Cohen and Arato 1994; Seligman 1992). Beyond this, the idea of civil society has also been used to form a bridge between the different worlds of political science and political philosophy. Civil society has become a central focus for both political scientists and political theorists, now converging on the same area. Political theorists now happily use recent developments in Eastern European politics as an empirical illustration to focus their discussions (Seligman 1992; Castiglione 1994; Cohen and Arato 1994). For their part, political scientists have been eager to use the idea of civil society to explain (variously) the scale, scope and dynamics of political change in the same region. (Kukuthas 1991; Miller 1992; Rau 1991; Poznanski 1993; Tismoneanu 1990; Weigle and Butterfield 1992).

At the same time, civil society is not a term employed solely by academics. It has been of central importance not just to observers of the political scene but to those actively engaged in politics as a practical activity in the real world. It figured centrally in the strategies and aspirations of key participants in the politics of Eastern Europe, where it was, to borrow Alex Callinicos's metaphor, the "leitmotif of the opposition" in the years leading up to 1989 (Callinicos 1991, 107), not just the major category of the relevant actors, but central to their self-understanding (Cohen and Arato 1994, vii:298).

Without in any way underestimating the geographical, intellectual and strategic appeal of the idea of civil society across these divides, there is a sense in which its very success may raise as many problems as it solves. In particular, it will be
suggested here, it is not at all clear that the term, for all its widespread and confident use, can actually mean the same thing to everyone (it hasn't in the past). If it does so now, this may be nothing to do with any sudden stunning conceptual clarification (there hasn't been much) but may have to be understood at quite another, at once more covertly yet directly political level. Specifically, I wish to argue, the deployment of this idea in relation to political change in Eastern Europe has had a narrowing and contracting effect, shrinking the political spectrum by marginalising and deligitimizing radical alternatives and possibilities. This is at once both familiar and tragic, replaying an earlier scenario (the emergence of the theory of totalitarianism) and repressing or occluding what may have been most attractive and noble in the dynamics of popular mobilization for such change.

Core Meanings?

To begin with, it is not at all clear that the term "civil society" can be taken to have a core, stable meaning, although this is frequently asserted. As Janina Frentzel-Jagorska notes, there are "enough different theoretical approaches to the concept of civil society and enough varying historical contents of the notion to turn every work dealing with the subject into a philosophical and/or historical treatise devoted to conceptual variations and subtleties" (Frentzel-Jagorska 1992, 40). Part of the reason why there are such different meanings in the first place lies in the fact that, as Castiglione has pointed out, civil society is a compound concept (Castiglione 1994) and, as such perhaps an "essentially contested" one (Gallie 1955). Over time, (and on some accounts at any rate the history of this idea stretches back to Greek or Roman times), part of this struggle may be understood in terms of shifts of emphasis between the two constituent terms. More pertinently perhaps, the very idea of a civil society necessarily raises some fairly fundamental questions, questions which, since they go arguably to the heart of the political, do not and cannot yield obvious, automatic or self-evident answers.

In particular, it can be argued, it would seem difficult to talk meaningfully about a civil society of any kind unless one says something about where it is to be found and how it is to be distinguished from other domains (the question of location); or about who is to be in and who is to be kept out (categories of inclusion and exclusion); or about the kinds of people, singly or collectively, who are its members and how they get on with each other (the question of social relations); or about the kind of world in which civil society is embedded, what, following Walzer (1995), we might in this context call the question of the good life.

What is striking about so much of the contemporary usage is that these questions are so rarely directly articulated. Instead, there seems to be a tendency to assume that these questions do not need to be addressed directly (any more?), that, at some level, there is now a consensus about what the answers should be. As a result, the real political thrust of particular notions or understandings of what civil society has been, is or could be, have been to an important degree occluded, and their serious and quite concrete political implications obscured.
History and Theory

It was not always so. At the risk of being schematic, it may be helpful to identify three main frameworks within which answers to the questions identified above have historically been formulated and developed. These are, respectively, the conceptions of civil society developed firstly in the Scottish enlightenment in the 18th century, secondly by Hegel (at one level of sophistication) and by Tocqueville (at another), and thirdly in what I identify here as a radical perspective, adopted in different ways by Rousseau, Marx, Gramsci, and by (some) modern feminists.

In the first of these in the 18th century, in the work of the authors broadly subsumed under the category of the Scottish enlightenment (pre-eminently Ferguson), civil society was for the first time in the modern era seen as no longer coterminous with the state, as Keane has argued was the case until then. (Keane 1988, 35) but separate from it. It was conceptualized as the domain especially of independent economic activity, located in a space separate from that occupied by what Schmidt identifies as, respectively, domestic society, ecclesiastical society or political society (Schmidt 1995). The main focus was on this newly conceptualized economic activity, enormously productive and dynamic, but it was complemented interestingly, as Seligman has pointed out, by a particular understanding of morality, ethics and vital non-economic sources of motivation. In a sense the categories of inclusion and exclusion at work in this conception of civil society turned on the extensive levels of trust purportedly generated by ideological ties of shared religious beliefs, notably in the disestablished Protestantism which animated the paradigmatic case of civil society in North America in the 17th and 18th centuries. (Seligman 1992). This provided the ethical backdrop against which individuals included in civil society could engage in the pursuit of particular objectives, in intense but bounded competition with one another. The boundaries were drawn around a community of believers who could identify at some level with each other as inhabitants of a Christian world from which non-Christian Others, such as native inhabitants, slaves or witches were excluded. The trust that, by contrast, obtained between members of the community then provided a framework which balanced natural affection and narrow egoism, and in which the pursuit of self-interest by members of the community could be deemed to produce also the good of all. Whilst this could not be promulgated as a flawless version of the good life, it could nonetheless be maintained as the best approximation to it for those inside its borders.

At the end of the 18th century this Anglo-American model of a society was subjected to a sophisticated and critical reworking by Hegel. Further on into the 19th century, the shrewd empirical observations of Tocqueville provided the grounds for what may be seen in this context as in some respects a parallel critique. For Hegel firstly, the Scottish Enlightenment conception lacked depth. The economy, understood as the sphere of needs, could not by itself constitute an adequate basis for a civilized life. As a domain in which individuals pursued their self-interest in competition with others, treating them as means to their ends, it could not be considered to provide the grounds for a wholly moral existence. Instead it had to be thought about as one of a number of domains of human activity, complemented by on the one hand, the family (ethical life in its immediacy) and framed by, or incorporated within, the state. Civil society was thus rethought as a middle term between the domestic and the political, mediating in some sense
between the private and the public. Included within its boundaries were the civilized "products" of historical development, the rational self-seeking individuals of modernity, whilst members of past or backward (non-Western) societies were excluded. At the same time, there was space within civil society for more than purely individual activity. Alongside the competitive pursuit of rational self-seeking individuals then, Hegel found space for older forms of association, such as guilds and (especially) estates. Relations within civil society could thus be said to be more than simply or merely competitive, and also to include an associative element, pointing towards and anticipating the political realm itself. This for Hegel was the state, part of whose function was to resolve some of the tensions, conflicts and antagonisms that nevertheless would arise (notably in the form of the emergence of economically determined poverty) within civil society. Thus Hegel had no illusions that in itself civil society could provide the basis of the good life and, on at least some interpretations, was a markedly critical social theorist (Avineri 1972).

This stress on the importance of associations within civil society, the notion that it is more than the domain of individual self-interest, and thus a space within which some kind of incipient political activity can occur, is also to be found in the later work of Tocqueville, notably in his observations on democracy in America. Associations were seen by him as vital in correcting and limiting an otherwise rampant individualism which "at first, only saps the virtues of public life; but in the long run ... attacks and destroys all others and is at length absorbed in downright selfishness". Despite the considerable differences between them, there is a crucial sense in which both Hegel and Tocqueville seek to locate in civil society something other than the domestic and something more than the economic, some element which, whilst remaining independent of the state, can yet point towards or form the basis of some form of political society.

A central problem with such conceptions is the extent to which either such associations or the state, or both, can or do in fact play the role assigned to them of modifying and limiting the full effects of an otherwise rampant individualism. This, famously, was one of the burdens of Marx's critique of Hegel, important elements of which were foreshadowed in Rousseau's work and key themes of which, reconfigured, have emerged in later radical social and political theories.

For Rousseau, a radical critic of civil society (Colletti, 1972), the defining features of this domain are moral (or rather the reverse). Civil society is the domain in which human beings have lost themselves, become inauthentic, fallen prey to egoism, vanity and deceit. From his first essays on this theme, Rousseau identified civilization in starkly and critically different terms to his contemporaries, as a process of moral decline and decay. The move from nature (self-sufficiency and, in a sense, domesticity) to society (the division of labor and property) opened the fateful way to competition with others, to self-identification in terms of others' opinions rather than authenticity, from amour-de-soi to amour-propre. Thus alienated from their true selves, men (sic) were liable to abandon their essential freedoms, their intrinsically human capacity to be self-determining agents, to subordinate themselves to others, richer and more powerful than themselves.

As a number of writers have noted, there is a profound sense in which Marx then builds upon Rousseau's arguments (Colletti 1972; Levine 1987). For Marx, civil society is an historical development, rather than a permanent feature of human life. It is essentially rooted in the development of a separate economic sphere in which
particular classes develop, notably the bourgeoisie. The class relations that lie at the heart of civil society function both as categories of inclusion and exclusion. Thus the proletariat is "a class in civil society but not of civil society". To the extent that this class is located inside civil society, it is the object of capitalist exploitation. By the same token, it is excluded from the "civilized" life enjoyed in civil society by its exploiters. Civil society itself is dominated by competition between capitalists, driven by the logic of accumulation and impelled to maximize profit through the extraction of surplus value. The alienation this competition generates, whether defined (as in the early writings) anthropologically in terms of species being or (as in the later work) in terms of the fetishism of commodities is a persistent theme for Marx throughout.

Gramsci's analysis of civil society is usually seen to be more complex than Marx, stressing not only the competition between individuals and classes, but also the role of organizations within it. The family or domestic domain is included within civil society (Simon 1982 p.70) and his location of civil society as a domain distinct from the state is essentially methodological (Showstack Sassoon 1987,112,135), as there is some interpenetration and overlap in their functions (Femia 1981, 27). Both civil society and the state, at least in one of his formulations, are "levels" of the superstructure, corresponding to the functions of hegemony and direct domination or command. Whilst there may be, as has been argued notably by Anderson (1976), certain ambiguities, tensions and antinomies within Gramsci's work, he nevertheless retains Marx's radical perspective in key respects. He clearly identifies it as a sphere of conflicting interests, in which the dominant class seeks to exercise hegemony and ideological control, backed by the direct domination and coercion of the state, over a subaltern class. It is an arena and terrain of (especially ideological) struggle, not of harmony. The good life can only ultimately be achieved by a revolution which, in extending the scope of politics radically, will put an end to all forms of both coercive and hegemonic control (Simon 1982, 90)

For some 20th century feminists, the optic of radical thought has widened to include a focus on structural inequalities in the prior domestic domain which both underpin and are reinforced by structural inequalities in the public domains of both civil and political society. Here, as Susan Moller Okin has argued, " a parallel can be drawn between the critiques of liberalism ... offered by Marxists and...feminists. The dichotomy between state and society, reified and exaggerated by liberal theory, serves ideological functions. 'The economic is political' is a claim central to the left's challenge to liberalism. In a parallel way, feminist theorists, focusing on gender and arguing that both political and economic power and practices are closely interrelated with the structure and practices of the domestic sphere, have exposed the extent to which the dichotomy between public and domestic, also reified and exaggerated by liberal theory, serves equally ideological functions. The corresponding feminist slogan is, of course, 'the personal is political'" (Moller Okin 1992,74-5). Through their subordination in the domestic sphere, women are excluded from effective participation in civil society whilst this exclusion also structures a whole range of conceptions of politics itself (Pateman 1988). Public life is conceptualized in particular ways and characteristically dominated not only by men but arguably by the particular and distorted values developed by men in isolation from the world of affect, care and compassion experienced by women as primary carers for children and family (Gilligan 1982; Chodorow 1978). The dangers posed by the pursuit of
male interest arguably imperil not only the good life but life itself. Ultimately, as Pateman puts it, "the theoretical and transformation required if women and men are to be full members of a free, properly democratic (or properly 'civilized') society is as far-reaching as can be imagined" (Pateman 1989,52). The understanding of the nature, logic and effects of power relations inside or underpinning civil society may have varied over time. What is common to these radical perspectives, however, is the sense that the power relations structured within civil society significantly affect answers to each of the questions we identified earlier. They render problematic the separateness of civil society from either or both the domestic and the political. They generate categories of inclusion and exclusion, defining who is to be within and who is to be kept out (the poor, the proletariat, women). They point to the inherently antagonistic nature of social relations inside civil society, identifying it as a sphere of oppression or exploitation, and thus arguably the very opposite of "civil". Finally, they suggest that, unless civil society is itself fundamentally transformed, and with it relations between the public and the private, and/or between the economic and the political, no good life can be envisaged.

The above schematic outline cannot hope to do justice either to the positions identified here, nor to many other thinkers and traditions going further back. My purpose here is rather illustrative, to highlight the range of potential conceptions of civil society and of possible answers to the questions identified earlier, and to suggest that any serious consideration of these issues must involve profound discussion and indeed disagreement across a wide spectrum.

The Shrinking of the Spectrum

What is striking, however, about the use of the term civil society in the aftermath of the collapse of communism is how limited and narrow is the scope for precisely such debate. For the most part, we appear to be presented with a spectrum restricted to two basic conceptions: one rooted in the ideas of the Scottish Enlightenment which endorses the identification of civil society with the market and the activity of self-seeking sovereign individuals; and another which, drawing at varying levels of abstraction on the Hegelian or Toquevillian traditions, effectively foreswears any radical aspirations to reorder civil society internally and in relation to either domestic or political society, or both. What is notably absent is any significant rearticulation of the radical conception of civil society in any of its forms. The first version, which we may call neo-liberal, and may be found in the work of, amongst others, Lovell, Tismaneanu, Poznanski, Rau and to some extent Seligman, operates with a clear dualism, in which civil society is defined explicitly in opposition to the state, and in which the presence or absence of a capitalist market with private property is taken to be of defining significance. Indeed, the free market and civil society are, at times, almost synonymous. As Lovell puts it, civil society "is a way of connoting the separateness of certain social relations, especially those involving exchange, from those which characterize politics" (Lovell 1992, 3). In terms of earlier distinctions, civil society is an extension of the household (domestic society) and incorporates elements of ecclesiastical society through the (Christian) moral values held to be central to its survival and health. Its categories of inclusion and exclusion are national and continental (the nation state; the West versus the
East). Within its borders, sovereign individuals engage in competition with each other in a market regulated by a minimal state. The market economy cannot work efficiently with state intervention, and the (justifiable) inequalities generated by the natural workings of the free market should not be replaced by arbitrary politically determined ones. The good life in this civil society has only a limited role for politics, which is seen as an essentially second-order activity, shorn of utopian aspirations, and preferring known actual interests to any imputed by more grandiose conceptions of human potential or nature. The political thrust of this version is explicitly anti-radical, particularly hostile to Marxism for its over-emphasis on the role and importance of politics (and thus supposedly the state). Radicals are seen to be careless about the distinctions between private life and public life, between domestic and civil and political society, indifferent to the central importance of the family and of moral (traditional) values. Radicals are essentially utopians, imbued with a fanatical belief in their own truth which they are then driven to impose on others. (Kolakowski 1992).

In the second case, what we may schematically represent as the modern social-democratic version is articulated in various ways by writers such as Cohen and Arato, Keane and (to some extent) Gellner. This version is grounded in part on a rejection of the purported reductionism of Marx (Cohen 1984; Keane 1988). In particular, Marx's identification of civil society with bourgeois society is held to be too crude, obscuring the wider arena of public life which cannot be reduced to the merely economic. Instead, following Habermas (1989), it is argued that the development of a public sphere, although initially linked to the emergence of the bourgeoisie, opened up a space outside the state within which political activity (especially in the form of associations) could take place. Within it, all kinds of associations could flourish (not merely those controlled by or expressive of capitalist interests), depending on a general freedom to organize and communicate independently of state sanction or surveillance. This domain is inclusive of all willing and able to engage in public associational life.

The ideal modern forms of such association are social movements which, as their label suggests, are rooted in society, expressing particular value orientations, pursuing a wide variety of causes capable of spontaneously mobilizing large numbers in unpredictable ways outside the formal structures of the polity or state. Relations within and between such movements are characteristically seen as unproblematic, as Meadwell has noted (Meadwell 1995) The effect of such dynamic associations is intrinsically democratic but critically (self) limited, in contrast to the over-ambitious utopianism of earlier forms of radicalism. Modern social movements are "no longer motivated by fundamentalist projects of suppressing bureaucracy, economic rationality, or social division. [They] have learnt from the revolutionary tradition that these fundamentalist projects lead to the breakdown of societal steering and productivity and the suppression of social plurality, all of which are then reconstituted by the forces of order only by dramatically authoritarian means" (Cohen and Arato, 16).

Whether overtly pessimistic or more simply self-limited in ambition, the logic of this argument is anti-utopian, at least in any radical sense. It may be designated social democratic (in the modern sense of the term) insofar as it accepts that, at best, existing power relations within or prior to civil society, and the political structures that reflect and reinforce them, can only be modified or adjusted. As far
as the economy in particular is concerned for example, it is explicitly or implicitly assumed that the basic structures of the capitalist market cannot be altered. It is difficult not to concur with Meadwell when he argues that "all this...is the result of and represents an enormous crisis within the European left. ...this post-Marxist alternative has no power to change the world - it is too hemmed in by capitalism and liberalism. All that is left for the left are new social movements as vehicles for defensive resistance" (Meadwell, 1992)

The question is, what is this a defense against? For it is here, I would suggest, that the neo-liberal and social democratic models converge politically, in ruling out any sense that civil society is itself fundamentally a cause for concern, an object of critical analysis in itself, or that anything major can be done about this. Rather there is a deep suspicion of what is identified as necessarily utopian aspiration, a consensus on the need to limit the scope of political activity, to treat politics as "a second-order activity" (Lovell). "Attempts ... to master society and history are dangerous" (Lovell, 3), as the examples of the French, Russian and Chinese Revolutions are held to demonstrate all too well (Cohen and Arato, 32). In the minds (and hands) of "ideocrats...concerned with the implementation of a moral order, the prevalence of virtue on earth, politics becomes the imposition of righteousness' (Gellner 1994,165). Radical intellectuals are driven by a "desperation to keep alive and develop arguments from the statist-revolutionary tradition", albeit in bad faith since it would be at minimal cost to themselves in their safe havens (Perez-Diaz 1995, 100). Such arguments are fundamentally flawed because they start not from what is, from actual human nature, but from what intellectual elites think it should or could be, from what they (irrationally) deem to be potential human nature. This necessarily leads to the attempt to impose a new social order from above and without. "In the world as it is, the potential of human nature cannot be liberated by the efforts of individual human beings themselves. This task can be carried out only by an outside force: that is, revolution". Change of this kind, on this scale will lead not to progress but to regress, back at worst to a state of nature.(Rau 1991)

**From Totalitarianism to Civil Society**

It is difficult not to have some sense of deja vu at this point, difficult not to feel that we have, after all, been here before. For this anti-utopian argument, this hostility to the politics of radical intellectuals, (leaving aside its deeper roots in Burke's diatribes against the French Revolution) is also what animated many of the major theorists of totalitarianism back in the 1950s. J.L. Talmon for instance was concerned to "identify the unfathomable and inescapable law which causes revolutionary salvationist schemes to evolve into reigns of terror and the promise of a perfect direct democracy to assume in practice the form of totalitarian dictatorship"(Talmon 1981 p.535). For Friedrich and Brzezinski similarly, the utopian aims of revolutionary ideology were directly linked to the practices of modern despotism (Friedrich and Brzezinski 1965). The total ambitions of ideologists aiming to transform human nature and society were equally the focus of (albeit very different kinds of) work in this vein by Hayek (1944) and Arendt (1963) (although the latter's conception of politics has, despite its attempt to remove the
social question, nevertheless some affinities with the radical tradition). (Hansen 1993)
For theorists of totalitarianism of course, the primary vehicle through which radical intellectuals could impose their fantastic conceptions of the good life was the state. In the hands of extreme ideologues, the modern state could, it was argued, all too easily be transformed into a monstrous apparatus that would invade private space, destroy the free market, suppress religion, eliminate free thought and subjugate all independent political activity.
Dominant even hegemonic in the 1950s, these ideas were, however, subsequently the object of significant, arguably devastating critiques. To its critics, the concept of totalitarianism was held to be, variously, "a conceptual harlot, belonging to no one but at the service of all" (Barber 1969); fundamentally ambiguous ("a term which has such varied meanings should be rejected") (Meyer cited in Barber); incapable of discriminating between quite different actual states (especially Nazi Germany and Soviet Russia); outdated or obsolescent (Curtis in Friedrich 1969); and, at root ideological in the most vulgar sense. (It may be noted in passing that at least one influential proponent of the idea, Leonard Schapiro, argued for its utility in a way that completely undermines the counterpoising of civil society to the state, since he dismissed entirely the idea that there can be a totalitarian state at all. ) (Schapiro 1972).
As a consequence of these arguably devastating criticisms, as Jacques Rupnik has noted, "the concept had been virtually banished from Western sovi etology [and if there, one might add, a fortiori elsewhere] as an unscientific Cold War product". (Rupnik 1988). What is striking, however, about so much of the writing about civil society in recent years is how many of these apparently discredited ideas have reappeared in more or less unmodified form. In both the neo-liberal and social democratic frameworks, it is precisely this form or model of the state from which civil society is to be distinguished and to which it is to be counterpoised. Where the totalitarian state invades private life, civil society protects it. Where the totalitarian state regulates and controls economic activity, civil society insists upon its freedom. Where the totalitarian state seeks to control thought, morality and norms, advocates of civil society point to its rootedness in independent religious traditions of various kinds - Protestant, Catholic or Orthodox (see Seligman 1992 for the former and Kharkhordin 1996 for the latter).
The counterpoising of civil society to the totalitarian state is by no means confined to the normative dimension. As before, it is a particular state which is identified for these purposes, the communist state, as developed first in the Soviet Union and then extended throughout Eastern Europe after the second world war. Although theories of totalitarianism were developed earlier, and applied initially more to Fascist Italy and to Nazi Germany than to Soviet Russia, it was the latter target which came to predominate (Gleason 1995). In the Soviet Union, it is argued, civil society was suppressed, suffocated, even destroyed, whereas in the West, it has been allowed to develop, emerging as it were organically, spontaneously, in its own space and time. It could be argued then of course, as Hann has done, that the revival of the idea of civil society has at this level been little more than a restatement of the core ideas of totalitarianism [Hann in Hall 1995]. However, this would not altogether explain why the idea of civil society has become so omnipresent in political discourse now, why a simple, straightforward recapitulation of the theory of
totalitarianism tout court has not occurred on any major scale, as distinct from the attempts which have taken place at retrospective justification (Lipset & Bence 1994; Sartori 1993).

The Politics of Civil Society

In order to explain this, it is necessary to consider more directly the political context in which the idea of civil society has become so ubiquitous and acquired such strategic utility (Honneth 1993).

The 1980s saw the revival not only of superpower conflict in the form of the Second Cold War but also the accompanying revival of ideological conflict. In the West, in the USA and in Britain especially, this period saw the emergence of a New Right, confidently asserting the values of the free market, of competitive individualism regulated by a minimal, yet strong state, and underpinned by the cohesive values of tradition and nation. The collapse of communism first in Eastern Europe and then in the Soviet Union itself then gave an enormous boost to the revival of an ideology which drew clear, sharp and polarized distinctions between the values, institutions and structures of the West and its Eastern adversary. Whilst it would be a mistake to underestimate the cogency, force and appeal of this argument to those in the West disillusioned by the evident failures of social democracy, it is perhaps more important in this context to note the way in which it served to appeal at the same time to a particular generation of thinkers in Eastern Europe for quite separate and different reasons.

One can identify two distinct phases in the history of opposition to communist rule in Eastern Europe (Stokes 1993). In the first phase (the 1950s and 60s) the dominant focus was on reform of the socialist system from within. The frame of reference was ostensibly socialist, or to give it its more familiar label, "Marxist-humanist". The failure in particular of the Prague Spring and of the development of "socialism with a human face" was a bitter blow to many in the opposition, especially in the ranks of the intellectuals who had invested a good deal in the project (the trajectory of the Polish dissident Leszek Kolakowski may be taken as in some sense emblematic here). In the 1970s and 80s (phase 2) this disappointment was transformed into what we may call a politics of disillusionment. In this second phase the emphasis was on the unformability of the state socialist system, on the need for its radical overthrow, and on the superiority of the West. Throughout the region former critical Marxists, such as Kuron and Modzelewski in Poland, Heller, Feher, Bence and Kis in Hungary, Svitak in Czechoslovakia, abandoned not just the vulgarized "Marxist" official ideology of the regime but their own more authentic arguments. It is unclear how much this development occurred in ignorance of the earlier Western discussion amongst Western social scientists. Certainly it was now that key fictional texts of that earlier shift were enthusiastically devoured and celebrated by dissidents in the East, notably the works of Orwell and Koestler (Rupnik 1988). At all events, it was precisely in this period that the distinction between civil society and the state was more or less universally adopted in the ranks of the dissident movement.

This shift took slightly different forms of course in different countries. In Poland, where the influence of the Catholic Church was tenaciously strong, political disillusion and anti-utopianism pointed in the direction of a theologically related
pessimism (and political alliances with the Church). This was articulated with great persuasion by Kolakowski in his influential essay "Between Hope and Hopelessness" (Kolakowski 1971) and later developed into a sustained critique of what he identified as the fatally flawed "eschatological concept of the unified man" in Rousseau and Marx (Kolakowski 1991). Key intellectuals such as Jacek Kuron (the author some years before with Karol Modzeleski of a remarkable Marxist critique of the state capitalist ruling class) and Adam Michnik followed Kolakowski in abandoning Marxism altogether. In Hungary, it took the form of a critique of radical politics by former pupils of Lukács such as Heller and Feher, who refashioned the standard theses on totalitarianism into their notion of the "dictatorship over needs", the product of Bolshevik elitism, the destruction of private property and the fatal equation of capitalism with civil society. Stressing the importance of formal democracy and acknowledging the inescapable necessities and virtues of the market and private property, and rejecting Marxian class theory in favor of more complex and less antagonistic notions of stratification, they came to the conclusion that bourgeois society could not be transcended and that the Marxist conception of liberation was an unrealizable utopia. (Heller, Feher and Markus 1983; Heller & Feher 1987; Feher 1992; Brown 1988). In Czechoslovakia, this shift was expressed most eloquently by Vaclav Havel, who sought to update the theory of totalitarianism by arguing that this kind of state worked less by making people actually believe in its propaganda than by making them behave as if they did, by "living a lie". This neatly sidestepped a standard and compelling objection to the theory that it appeared to rule out the possibility of effective dissent by turning every citizen into at one and the same time a victim and a supporter of the regime, and a potential dissident. (Havel's optimism was not, it may be noted, shared by his fellow-dissidents. More consistently than the playwright, Heller and Feher for example firmly asserted in 1985 that "hope for radical change is gone in the region, at least for the foreseeable future" and that "Stalin's long and efficient training [had] wiped out the spirit of rebellion from the populace") (cited in Callinicos 1991 pp.41-2).

As the state socialist camp began to disintegrate under the pressure of superpower competition, the politics of disillusionment in the East intersected with an aggressive and combative Anglo-American New Right, drawing dominant forms of dissident politics into the neo-liberal camp and an enthusiasm for its diplomatic project of counter-insurgency, containment and isolation. In the last period of communist rule this led many East European dissident intellectuals to condone Western intervention in Vietnam and Nicaragua as counterweights to the greater evil of Soviet imperialism evidenced in Hungary 56, Czechoslovakia 68 and now Afghanistan. At the same time, and perhaps more importantly, the logic of the politics of disillusionment played itself out with particular effects at the regional and national level.

The defeat of "socialism with a human face" in Czechoslovakia put an end to hopes that the party could be reformed from within in the foreseeable future by appeals from supposed fellow-Marxists (this assumed of course that the party elite itself took Marxism seriously). The "normalisation" that ensued with the abrupt and unexpected crushing of the mobilization that had occurred and the genuine political hopes which had been stirred up, thrust the population back into a sullen, weary passivity. Havel's description of the state of mind of the "powerless" living in
falsehood was undoubtedly accurate. (Havel 1985) The emergence of Charter 77, however, as a small group largely of intellectuals told its own story. In these circumstances, the invocation of a "parallel polis" whilst morally impressive was largely symbolic, not successful in generating, linking up or informing any visible mass mobilization until very late in the day. The limited numbers involved had to rely on their own resources, sustaining themselves with a sense not of their impact on the political present, but their future significance. The adoption of the notion of a parallel polis (and the related notion of anti-politics) in this context may be understood, at least in part, as a recognition that the political arena was dead, inert and lifeless, because controlled by an elite which both refused to acknowledge difference in holding on to the monopoly of power, and had no real beliefs of its own, as it retreated back into a mechanical repetition of Stalinist nonsense. At the same time, as those who could left and those who stayed turned their back on public life (external and internal emigration), the political arena was vacated, making it impossible to engage politically either with the regime or the population. In a sense, the parallel polis was the substitution of morality for politics, the embrace of a purer ideal world of individual conscience for the more profane real world.

The strategy pursued by Kadar in Hungary, adopted as the most realistic reform strategy in the wake of both 1956 and 1968, whilst successful in the economic domain in the first instance (tolerating the "second economy", boosting the consumer sector), was both a more constrained operation and generated altogether less political optimism. More profoundly, the depoliticisation upon which it rested, inverting the original Stalinist line of whoever is not with us is against us, carefully delimiting possibilities and cutting off any realistic hopes of radical change) was both cynical and ultimately demoralizing, capable of producing at best a merely instrumental accommodation (Kiss 1992). Once the strategy lost momentum, as it did especially in the economic sphere in the 1980s, its threadbare roots in both the party and society were soon exposed. As Horvath and Szacołczai discovered, conducting empirical research into what party members themselves actually believed, the lack of belief in the official ideology was arguably even more striking within the party than outside. (Horvath & Szacołczai 1992). (This incidentally of course makes the idea of totalitarianism even less applicable to the regime at this time than it was initially. Its "pact" with the people - "let us rule, while we leave you in peace" - is more expressive of old-style (pre-modern?) authoritarian rule than anything else.) In the context of the loss of faith by the rulers and the loss of expectation produced by exclusion form politics for the ruled, politics had no value for anyone (hence perhaps the attractions of the idea of anti-politics) (Konrad 1984). It was in Poland above all that the logic of the politics of disillusionment played itself out most profoundly, above all in the extremes of radical optimism and shocked pessimism experienced in the dizzying 18 months of Solidarity. The repression of the latter by martial law had a traumatic effect on opposition in Eastern Europe, often misunderstood in terms of a simple radicalization. Rather, the processing of this experience by key figures in the Polish underground may be better understood in terms of the internalization of defeat. For, despite subsequent developments, Solidarity was experienced primarily as such, as a defeat both of radical hopes and, especially in this context, of popular mobilization from below, as the closing off of radically democratic possibilities for the foreseeable future, as the baring (yet again) of the door to fundamental change. Already before 1980 in fact,
intellectuals such as Michnik, in developing the strategy of the "new evolutionism" had evinced some pessimism about the possibilities of radical change, arguing that "transformations would have to be made, at least in their first stage, in line with the Brezhnev doctrine" (cited in Ost 1990 p.73 emphasis in the original). As Michnik himself admitted, this strategy (and in this of course it was wholly consistent with the pessimism inherent in the theory of totalitarianism) excluded the possibility that the regime would be forced to admit the existence of independent free trade unions. As he wryly noted, "Jacek [Kuron] and I knew independent and self-governing trade unions were impossible...but the workers did not know. That's how Solidarity arose, without us and against us" (quoted in Ost 1990 p.77. My emphasis) During the period of Solidarity's first incarnation in the 18 months of dual power, there was in fact continued conflict between the radicals, placing their hopes in the momentum generated from below, and the moderates, convinced that negotiations with the regime were essential for the necessarily gradual changes that alone were possible, and seeking, according to some sympathetic observers, a kind of corporatist solution to the crisis (Ost 1990).

After the imposition of martial law, the pessimism of the moderates was greatly strengthened, informed by a profound sense of the limits of a popular movement, of self-activity crushed by military repression, not of its possibilities. It was a strategy informed by the experience of defeat, not of victory, by pessimism not of optimism. For Kuron, it was imperative, as his famous essay put it, "not to lure the wolves out of the forest", to develop a strategy which would not provoke Soviet intervention again directly or by proxy. For Michnik, it was necessary to recognise that the insurgent workers' movement was incapable of gaining further ground alone, but that it was necessary to form an alliance with the Church. For Walesa, it was vital to negotiate with the regime out of the glare of publicity (so critical to the formulation of the 21 demands at the time of the occupation of the Gdansk shipyards). The internal conflicts of the post-81 period (as of the period of dual power itself) are often ignored in histories which trace the logic of a smooth unbroken line of descent from the rise of Solidarity via the temporary defeat of martial law to the ultimate collapse of communism in Poland. This ignores the ongoing struggles between radicals and moderates, between the rank and file and the leadership, and crucially assumes that Solidarity was the same movement in 1989 that it was in 1980. For, as Kuron's former coauthor Modzelewski (one of the few dissidents to remain committed, however loosely, to radical ideas) noted sadly, to the extent that Solidarity had survived, it did so more as a symbol than as a real movement of self-activity. This explains for him why the Polish workers tolerated the catastrophe of Balcerowicz's shock therapy, "worse than 1929", as there was no mass activity to constrain the country's new elite (Modzelewski 1993).

The development of a "realistic" strategy bred out of pessimism, however, could not easily, as Walicki has noted, be openly advertised as such (Walicki 1991). Instead it had to be covered, in a sense, by an apparently intransigent stance at the grander, more abstract level of theory. This took the form of the simultaneous adoption of both the theory of totalitarianism and the idea of civil society.

In Poland especially, it was argued, the totalitarian state stood as the great, overweening, deadly enemy of freedom, a state controlled by a political organization (the so-called vanguard party) with its utopian ambition to subordinate all interests, group or individual in pursuit of its project to re-engineer human
nature. In Poland especially, civil society was driven to defend itself, to mobilize its own independent forces, to resist the state's encroachment and suffocating control. Thus were posed the essential oppositions: on the one hand, the totalitarian state, on the other, civil society; on the one hand, the politics of the state, on the other, the anti-politics of the dissident movement (as the Gdansk strikers put it, "we do not want to engage with politics. Politics is your business, not ours" (quoted in Ost 1990 p.1); on the one hand, the one-party state, on the other, Solidarity; on the one hand, the vanguard party, on the other, social movements.
A number of perfectly cogent criticisms were made at the time of this manichean construction. Andrzej Walicki has argued quite compellingly that, "it is incomprehensible ...to see how it was possible to defend on intellectual grounds a theory that so completely disregarded the objective mechanisms at work in the decomposition of the system" (Walicki 1991). Jadwiga Staniszki's has noted its essentially ritualistic character, arguing that to speak of totalitarianism in the context of 1980s Poland was exaggerated, that the unity of the party-state machine was overestimated, and that the unity of Solidarity was itself an illusion. (Cohen and Arato, 59) Yet, arguably, this was precisely the political point. For, as long as both the state and civil society were successfully conceptualised in this dyadic opposition, no effective alternative to the leadership of Solidarity could legitimately develop, since this would imperil the announced unity and essential identity of civil society itself, and leave it vulnerable to the enemy. Even to engage in separate organized political activity could be construed as treachery, operating on the terrain of and according to the political logic and values of the enemy. One of the consequences of the adoption of the notion of "anti-politics" was thus that it made the articulation (and resolution) of difference within social movements problematic.
The unity of civil society (essential for its survival and self-defense against the totalitarian state) was thus intimately bound up with its identity as a non-political terrain, the site of the social not the political.
At another, more mundane level, however, politics continued, in the elaborate dialogue conducted at first discreetly, and then more openly (but always now away from the popular gaze) in negotiations between (the self-appointed) vanguard party and the historic and confirmed leaders of Solidarity (where in the case of Walesa for instance charisma might to some degree have substituted for democratic accountability) (Modzelewski 1993), between what we might retrospectively at least identify as old and putatively new or counter-elites.
These negotiations were to be generalized throughout the region as the 1980s drew to a close. Although the timing and form varied, peaceful solutions to the crisis (not just in Poland but also in Hungary, and even in East Germany and Czechoslovakia) (Mason 1991)) were the product of roundtable negotiations in which the old elite agreed first to share political power and then to give it up. Popular power in any classic form, whether of strikes, occupations, and especially involving the formation of new forms of political power (such as soviets or councils), organs of direct democracy drawing large numbers into political activity, was noticeably absent. At most there were demonstrations or strikes of tightly limited duration, (a two hour general strike in Czechoslovakia, for instance), leaving little or no space for extensive mobilization, discussion, and the development of initiatives from below. If this was the mobilization of an insurgent civil society throwing off the shackles of
the totalitarian state, it was strikingly conservative and limited in the form and scope of its political expression.

This may be no accident. If, as has been suggested, the dominant contemporary conceptions of civil society are rooted in an anti-utopian, pessimistic approach to politics, political strategies which then flow from this conception may be inherently hostile to sustained mobilization. The idea of a self-limiting revolution, the great discovery of the Polish opposition, may not be the grand conceptual breakthrough advertised by Cohen and Arato as transcending the hoary and stale dichotomy of reform or revolution and breaking free of "democratic fundamentalism" (p.561). Rather as a political strategy, it may be located within a politics of disillusion, formulated in a conjuncture of defeat and expressive of a deeper anti-utopian politics. The connection between the idea of civil society and the theory of totalitarianism is particularly significant at this point. Both theories see utopian thinking as the province of a blind radicalism, maintained by unrealistic fanatics, and fear that mass political action, mobilization from below, carries within it the dangers of an excessive politicization.

At another level, the idea of civil society may then prevent certain key questions being posed, clarified, or resolved. Is civil society political or is it not? Who should be included within it and who not? Is it the domain of self-seeking individuals or of more communitarian groups? What makes it civil? In the context of post-communist Eastern Europe these are not by any means merely abstract questions. As social divisions and market-based inequalities increase, the exclusion of consideration of these issues from the political agenda has material effects. The gadarene rush to a free market, rejecting even the mild regulation of the German social market model (Glasman 1995) obscured the possibility of reflection on alternative strategies of transformation that could facilitate the survival or construction of forms of social solidarity. Yet this approach was adopted with not even a minimal public, democratic debate, as policy-makers insisted that there was simply no alternative, that time was too short for discussion, that the population lacked sufficient expertise to make the appropriate judgements (Przeworski 1991). As poverty and despair grip sections of the population throughout the region, weakening and disrupting existing social ties, it is difficult to see how these societies can be considered civil, not just because of the absence of traditions of trust which Seligman bemoans, but because of the effects of policies which directly undermine it in the present.

Such questions however do surely have to be asked. They lie after all at the heart of the modern polity itself. A polity indeed in which such questions cannot be clarified may be both weak and vulnerable. To ascribe this weakness, as some have done, to the anti-politics of disdient intellectuals (Jorgensen 1992), or to the inherent limitations of intellectuals engaged in a political world for which they are singularly ill-suited, seems too facile. The heyday of anti-politics has in any case passed, as was clear from the easy sidelining of figures such as Havel or Mazowiecki and the swift takeover of the political stage in East Germany by the well-oiled, well-heeled political parties of West Germany.(Phillipsen 1993). It may be no more convincing to ascribe this weakness to the lack of development of civil society, to see post-communist political difficulties as rooted in the historic block on the constitution of interests in a totalitarian state, as David Ost has done recently (Ost 1994). This seems to be a case of trying to have your cake and eat it too. Either civil society was sufficiently well-developed to mobilize itself to overthrow the totalitarian state, as
Ost himself sought to argue in an earlier work (Ost 1990) in which case it was scarcely underdeveloped, or it was irrelevant, other than as an idea, in that very case.

As an idea, or perhaps rather ideology, however, it may be seen to have had certain political effects. For just as at the level of normative models of civil society, the conceptual spectrum has, as I argued earlier, been shrunk, so too, within what passes for politics within post-communist states, the range of political options has also narrowed, and the effective political choices open to its citizens been circumscribed. Essentially, in the years since the demise or surrender of communist power, to the extent that clear political alternatives have been formulated at all, and not been swamped in populist demagogy, corruption or overt repression, or some potent mix of all three, they have been presented to the citizens of Eastern Europe in one of two forms, either assertively neo-liberal (Klaus, Yeltsin) or more meekly social-democratic (Horn, Kwasniecki). In the former case, dominant in the immediate post-communist period with the enthusiastic endorsement of the IMF, the idea of civil society has been translated into an exposition of the necessary virtues of the free market. In the latter case, largely in reaction to the social costs of policies pursued by the neo-liberals, it has led to the re-election of former communists who, despite their origins, in fact present no radical alternative but only a more muted continuation of the general direction of inherited policy.

A radical agenda has been as marginalised at this political level as have radical theories of civil society at the more abstract conceptual level. The notion that civil society after 1989 may be problematic, that it excludes certain categories of potential citizens, that relations within it may not be civil, that for many it cannot provide a good life, has been excluded from serious consideration in much of the theoretical literature and cannot be easily expressed within common political discourse.

This may have serious consequences in both the long and the short term. In the dominant formulation of a civil society distinct and separate from the political domain, the scope of politics itself is reciprocally limited.

Within the polity, political participation has diminished sharply. The mobilization of citizens in 1989 (limited enough, as we have noted) has given way to apathy and alienation, and left politics as the preserve of the few (including of course significant sections of the old elite [Szelenyi 1991; 1995; Wesolowski 1995], whilst significantly reducing the involvement of women (Watson 1995). Interestingly, and with a logic that by now may not be too shocking, the view is increasingly being expressed that this is for the best, that stable civil societies indeed depend on minimal participation (Gowan 1996). Although such formulations are largely the expression of views on the right of the (restricted) political spectrum, they are scarcely challenged head on by a view of civil society that, after all, takes the existing structures of political participation in the West as the model, or even by the idealist but naive hopes of those who (like Cohen and Arato) look to social movements somehow to exert a "politics of influence" on these same institutions.

At the same time, the consequent and reciprocal scope of the political points to a limited role for the state at the very moment in which arguably citizens require considerable if not greater support in guaranteeing both formal and substantive rights. Yet instead of an expansion of citizenship in these terms, we are witnessing its retraction, in the form both of exclusion from membership of the state itself and
within it of various forms of support. It has been argued that the rights of women have significantly diminished (Einhorn 1995) whilst the rise of ethno-nationalism has threatened and curtailed democratic rights throughout the region (Spencer and Wollman 1997) These are scarcely signs of the development of a civil society but express rather the logic of a politics of exclusion fostered in a context, or rather in a civil society, whose fundamentally problematic status cannot be registered. If, especially, problems arise within civil society which cannot be openly articulated, then perhaps explanations of and solutions to these problems may turn back to the prior question of who is to be included and who to be excluded. Here, rather than a political debate taking place, the void may be filled anti-politically by forms of fundamentalism, in which categories of inclusion and exclusion are couched in the fantasy terms of biology, race, blood and myth.

This is anti-political in at least two fundamental respects. In depriving citizens of their membership of the polity, it deprives them of their voice. Those without a voice cannot speak within the polity. In coercively asserting who is in and out (expulsion), in mythologising social relations between nationals ("we Serbs"), in identifying the good life as a state of (imagined) identity rather than the outcome of conscious, willed activity and participation, it assumes precisely what needs to be discussed and argued for, and thus eliminates the central core activity of the polis itself.

**Beyond Civil Society?**

To conclude, I have sought to argue here that the relatively narrow spectrum of contemporary conceptions of civil society (particularly in relation to recent developments in Eastern Europe) has significantly restricted debate about a range of fundamental political issues. However, rather than the concept itself being, as Kumar has suggested, simply redundant (Kumar 1993), we need a fuller and more wide-ranging discussion of the issues this idea necessarily raises. These are fundamentally political, lying at the heart of conceptions of the polity and the nature of political activity, and are of direct and material concern to all of its actual or potential citizens.

This may point to a very different politics than that assumed or valued by dominant conceptions of civil society. It is a politics that does not assume that these questions have already been answered, or that they need not, or worse still cannot, be posed. Rather it is to recognize that other answers may not just be possible but even necessary. What might these look like? In the brief space available, it is only possible to sketch the broad outlines of such an approach, however utopian this may now seem.

In the first place, it would involve a much more politicized conception of civil society, locating it as a domain in which power exists (and is contested) domestically and economically, as well as in the formally structured political arena of parties, pressure groups and social movements. The distinction between the private and the public would be taken as problematic, particularly insofar as it affects the rights of women and issues of sexuality, reproduction and violence (all areas in which women's rights have been supposedly depoliticised but in fact curtailed since the collapse of communism (Einhorn 1995). The economy could not be left unregulated, abandoned to the workings of a market which has turned out
to be not so much free as prey to, if not plundered by, powerful interests, multinational as well as national (Gowan 1996). It is by no means necessary that such regulation has to take the form of a bureaucratically determined central plan. Rather this could be the object of a democratic process in its own right. Although it is clearly impossible to argue the case for this in any detail here, it is worth pointing out that in 1980-81 there were a number of relevant initiatives developed within the extensively mobilized ranks of Solidarity. The absence of such initiatives since 1989 may not implausibly be connected to the absence of similar levels of mobilization today.

Secondly, civil society can be thought about as a terrain upon which not just individuals or associations operate but also classes, genders and variously identified or claimed “ethnic” or “national” majorities and minorities. A central focus for such an approach would be the issue of citizenship and the rights, both formal and substantive, of such collectivities. The recognition and guarantee of such rights would have to involve the state but arguably could not leave the form of the latter untouched. Rather there would have to be a renewed process of democratization (from below) of the apparatus of the state itself, a process arguably cut off and contained in 1989. At the same time the drive for citizenship would be inclusionary, not exclusionary, raising issues not just of the rights of “nationals” but also migrants, past and present. The kinds of barriers currently being put up between states in Eastern Europe and between East and West, not to mention the horrific efforts to expel whole populations by “ethnic cleansing” would have to be directly challenged.

What struggles of this sort would raise of course is the extent to which relations within civil society are now, or could actually become, “civilized”. Not just incidentally of course, this was a central theme in some of the classic debates about civil society, including thinkers such as Freud or Foucault whom we have not had space to discuss here (but see Tester 1992). More concretely this kind of approach would have to take as one of its litmus tests the extent to which genuinely civilized relations did come to obtain in relation to safety (for, for instance, domestic or racist violence), health, housing and poverty, issues that of course are properly the concern of welfare states so drastically restricted or restructured in Eastern Europe in recent years (Deacon 1993).

It could of course be argued that all of this is hopelessly utopian. It would certainly require a dramatic reversal of the depoliticisation which I have suggested here has characterized dominant conceptions of civil society in relation to Eastern Europe. However, very much the same kind of charge could have been made against the dissident movement in the 1980s where the idea of civil society itself took hold and, at another level, against the various dramatic efforts from below to challenge communist rule in the decades before that, whether in Berlin in 1953, Hungary in 1956 or Poland in 1980-81, or at many other times and places.

Such mass mobilization from below has historically invariably put on the political agenda a whole host of issues, private and public, social and economic, as well as more conventionally political ones. This was the case not just in Eastern Europe but elsewhere, even in the West as the events of 1968 in France and Italy, or of 1974-5 in Portugal, or even in other communist states such as China in 1989, suggest. In all of these cases, popular participation was extensive, animated by what were, in the context of the immediately preceding political situation, utopian aspirations. Yet,
filled with utopian ideas, and a belief that conscious collective action, from below, could transform the world, large numbers were drawn into the political arena, often for the first time, and often to their surprise and others, mobilized themselves, creating new political forms, engaging in the direct practice of democracy in a tradition stretching back to Rousseau and forward via Marx, anarchism and 20th century social movements. This is a form of politics that, despite the condescension of its critics, who indeed on occasion have sought to claim it means the end of politics, characteristically confusing politics with the state, has emerged against the odds, unpredictably, and at the most surprising moments. It may yet surprise us still.

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TOWARDS SOCIAL STABILITY THROUGH
CRIME PREVENTION AND
CONVICTION STABILIZATION

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Introduction

The article reviews the evolution of crime in Lithuania during the period after World War II until nowadays. At present general evolution of crime in Lithuania is similar to the situation of other developed European countries - this is due to a slight recent increase of registered crime in many European countries in general. Main trends of stabilization of registered crime in Lithuania: tendency towards decline of premeditated murders since 1995; during last years (1996-1999) the number of juvenile delinquents among under aged children who are unemployed and do not attend school decreased. Its part in total number of offenders dropped from 10, 02 to 7, 2 per cent (the decrease in absolute numbers is rather evident). This is a serious social assumption for general stabilization of crime in Lithuania.

According to comparative statistical indicators the level of crime in Lithuania remained 1/3 less if compared to Estonia and become and 1/5 higher if compared to Latvia.

In order to achieve social stability in the society (and surely enough in prevalence of criminality as well) it is important to strive for improvement of criminal and penalty policies, to organize prevention of crime and prevention of recidivism in particular. In doing so it is important to refuse application of only repressive means of crime prevention policies, as they naturally inspire the increase in crime ant its constantly high level.

In contemporary Lithuania it is relevant to answer the question if in crime the situation of transition to market economy and democratic society is over and if relative stabilization in crime can be expected. Therefore it is important to give a presentation on main trends of crime in Lithuania during a longer period of time.

The crime of 1961-1987 in Lithuania characterizes the period of stable system of social economy and totalitarian period of society ruling. In addition new criminal laws and laws of criminal procedure came into force in 1961. During this period indicators of crime registration changed considerably (e.g. since 1961 amendments of laws, later - changes concerning increase in simulated latency of criminality. Still later - changes concerning the stopping in simulated latency of criminality prevalence, e.g. - 1983)

In 1961 - 11 708 offences were registered, in 1987 - 20 037, the lowest indicator of registered crime was in 1965 - 8189. That is 30 per cent less if compared to 1961.
Rate to 10 000 inhabitants from 1961 till 1970 (average annual number) is 32.5, in 1987 - 55.03. 
In 1971 – 9 992 offenders were registered, in 1987 - 14 190. In 1961 - 1970 average of the offenders registered was equal to 9 511. The rate to 10 000 inhabitants – 30.9 (average annual number) in 1987 - 39.0
In 1961 – 9 509 persons were sentenced, in 1987 – 9 453. Thus complex evaluation allows to draw a conclusion of registered crime growth by two times during the period of stable socialism in Lithuania.
Due to 1988-1989 M.Gorbachew’s “perestroika” in economics and society, crime in Lithuania started changing. Since 1988 the development of market economy and formation of democratic society gave rise to even more rapid changes in crime (after the restoration of independence in 1990 it was extremely obvious). More than that, organized crime, which took shape during M.Gorbachow’s period had already had its roots before the restoration of independence. Starting with this period table 1 characterizes statistical situation in crime until nowadays.

### TABLE 1

**Complex Indicator of Crime Prevalence in 1988-1999**

<table>
<thead>
<tr>
<th>Year</th>
<th>Crimes registered</th>
<th>The number of offenders identified</th>
<th>The number of persons sentenced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Rate to 10 000 inhabitants</td>
<td>Total</td>
</tr>
<tr>
<td>1988</td>
<td>21337</td>
<td>58.2</td>
<td>12746</td>
</tr>
<tr>
<td>1989</td>
<td>31238</td>
<td>84.2</td>
<td>12843</td>
</tr>
<tr>
<td>1990</td>
<td>37056</td>
<td>99.2</td>
<td>12566</td>
</tr>
<tr>
<td>1991</td>
<td>44984</td>
<td>120.0</td>
<td>13268</td>
</tr>
<tr>
<td>1992</td>
<td>56615</td>
<td>150.5</td>
<td>18810</td>
</tr>
<tr>
<td>1993</td>
<td>60378</td>
<td>160.9</td>
<td>20424</td>
</tr>
<tr>
<td>1994</td>
<td>58634</td>
<td>157.4</td>
<td>21290</td>
</tr>
<tr>
<td>1995</td>
<td>60819</td>
<td>163.6</td>
<td>22969</td>
</tr>
<tr>
<td>1996</td>
<td>68053</td>
<td>183.3</td>
<td>22269</td>
</tr>
<tr>
<td>1997</td>
<td>75816</td>
<td>204.5</td>
<td>25542</td>
</tr>
<tr>
<td>1998</td>
<td>78149</td>
<td>211.1</td>
<td>25373</td>
</tr>
<tr>
<td>1999</td>
<td>77108</td>
<td>208.3</td>
<td>25160</td>
</tr>
</tbody>
</table>

The first two statistical indicators (indicators of registered crimes and identified offenders) do not include their latent part. Meanwhile the number of convicts (the intensity of conviction) for example during one year, does not have its latent and unregistered part, therefore it can be considered as real and matching reality.
As we can see beginning with 1989 as new economic changes emerged - crime increased. During this period indicators of crime changed drastically - there were 3.6 times more of registered crimes; the number of identified offenders increased by two times, meanwhile the number of persons sentenced increased by 2.5 times. This relation shows that during this period repressive policies of prevention of crime in the state were not narrowed, more than that, in spite of efforts to abrogate them, they
developed. This type of policies fosters increase of crime and its constantly high level.
If we examined the data submitted in the first table we would notice that this period of twelfth years is not monolithic. We can distinguish two parts in this period. The first part is the years of 1989 - 1994. During this period of six years there was a leap in crime: the number of registered crimes increased by more than three times, the number of offenders identified increased by 1.6 times, the number of convicts increased more than two times. During the second part of five years a relatively low increase of crime is observed: it is one time more according to the statistical data supplied above. To be more precise, - an average annual increase of crimes by 7-8 percent times, and a slight increase of the remaining two indicators. To clarify this Figure 1 is submitted.

FIGURE 1
The Tendencies of Crime in Lithuania in 1985 – 1999

So the situation of crime during last five years is similar to the situation of other developed European countries - this is due a slight recent increase of registered crime in many developed European countries in general. An annual increase in crime by several per cents can be envisaged for several upcoming years. This forecast was prepared using the method of statistic extrapolation. It can be maintained that the transitional period in the situation of registered crime in Lithuania is over. The process of relative crime stabilization is taking place. It can also be maintained that this trend is likely to remain stable in the closest future. A reliable indicator of this opinion is an obvious tendency toward decrease in number of premeditated murders. As we know, in criminology the number of registered premeditated murders is considered to be the crime of lowest latency. Therefore the change in this number can be considered as an indicator of change of crime (latent part included) in general. The following Figure shows the change in premeditated murders (attempts included) and other serious violent crimes against person during recent years.
Represented in the Figure 2 is a consistent tendency towards decrease of registered premeditated murders (attempts included) in 1995 – 1998. In 1998 (if compared to 1994) 167 murders (attempts included) less were registered (it is 1.5 times lower). The situation of three quarters of 1999 maintained this tendency.

Anyway, this can not mean the decrease of latent part of crime in total crime in Lithuania, especially in the sphere of economic and financial crimes. Judging by indirect tendencies of indicators characterizing the above mentioned crimes, their degree of latency remains high.

Another indicator which expresses relative stabilization of crime, is the “input” of persons who are unemployed and do not study.

Criminological researches conducted in Lithuania and abroad proved that persons who are unemployed and do not study have highest criminal activity. These are the most criminogetic persons as their activity is 24 times higher if compared to activity of those who attend secondary educational institutions. Therefore in order to achieve social stability in social processes of crime it is important to seek to decrease the number of such persons, and the number of youths among them, in particular. During the last several years efforts aimed at organization of proper development for teenagers (especially juvenile) bore certain positive fruit. On the other hand even these results are quite modest. In table Figure 1 shown are the tendencies of “input” by persons who are unemployed and do not study during three years.
TABLE FIGURE 1
The Number of Offenders Who Are Employable But Do Not Work and Do Not Study Distribution According to Age Groups in 1996-1998m.

<table>
<thead>
<tr>
<th>Age</th>
<th>1996 m.</th>
<th>1997 m.</th>
<th>1998 m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>16-17 m</td>
<td>1 410</td>
<td>10,0</td>
<td>1 292</td>
</tr>
<tr>
<td>18-24 m</td>
<td>4 451</td>
<td>31,6</td>
<td>5 098</td>
</tr>
<tr>
<td>25-29 m</td>
<td>2 429</td>
<td>17,3</td>
<td>2 881</td>
</tr>
<tr>
<td>30-49 m</td>
<td>4 927</td>
<td>35,0</td>
<td>5 827</td>
</tr>
</tbody>
</table>

In this Figure persons who are unemployed and do not study are subdivided into four groups. During the last three years (1996-1998) the number of juvenile delinquents among who were unemployed and did not attend school decreased. Its part in total number of offenders dropped from 10,02 to 7,18 per cent (the decrease in absolute numbers is rather evident – 267 persons). The input of the remaining three groups into the number of registered crimes remained almost stable. The part of the older group of age is noticeably stable. The increase in number of middle groups 18 - 24 and 25 - 29 in the number of offenders matched the tempo of crime growth in Lithuania and therefore remained stable.

Summing up the problem it can be maintained, that if the input of under-age children who are unemployed and do not study continues to decrease alongside with the decrease of adults ups, who are unemployed and do not study, serious social assumptions for stabilization of crime or maybe even its decrease could be formed.

It is important to give an overview of corresponding comparative statistical indicators of Lithuania, Latvia and Estonia. When the rebirth period in the Baltic
states started (1989) traditionally crime rate was 1.5 times lower if compared to Latvia and 1.3 times lower if compared to Estonia although social-economic conditions were the same. Beginning with 1989 indicators of crime in the above mentioned Baltic states substantially increased. Their development in 1990-1998 is reflected in Table Figure 2.

**TABLE FIGURE 2**  
Crime Level in the Baltic States

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Crimes registered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>37 056</td>
<td>44 984</td>
<td>56 615</td>
<td>60 378</td>
<td>58 634</td>
<td>60 819</td>
<td>68 053</td>
<td>75 816</td>
<td>78 149</td>
</tr>
<tr>
<td>Latvia</td>
<td>34 686</td>
<td>41 929</td>
<td>61 871</td>
<td>52 835</td>
<td>40 983</td>
<td>39 141</td>
<td>38 205</td>
<td>36 869</td>
<td>36 674</td>
</tr>
<tr>
<td>Estonia</td>
<td>23 807</td>
<td>31 748</td>
<td>41 254</td>
<td>37 163</td>
<td>35 739</td>
<td>39 570</td>
<td>35 411</td>
<td>40 972</td>
<td>45 721</td>
</tr>
<tr>
<td>The number of crimes to 10 000 inhabitants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lithuania</td>
<td>99</td>
<td>120</td>
<td>151</td>
<td>161</td>
<td>158</td>
<td>164</td>
<td>183</td>
<td>204</td>
<td>211</td>
</tr>
<tr>
<td>Latvia</td>
<td>129</td>
<td>151</td>
<td>235</td>
<td>204</td>
<td>161</td>
<td>155</td>
<td>152</td>
<td>146</td>
<td>148</td>
</tr>
<tr>
<td>Estonia</td>
<td>150</td>
<td>206</td>
<td>267</td>
<td>245</td>
<td>236</td>
<td>265</td>
<td>240</td>
<td>280</td>
<td>314</td>
</tr>
</tbody>
</table>

The evolution in the number of persons sentenced during the last 67 years has been very contradictory and needs an elaborate commentary. Although pre war period until 1939 was the period of independent state of Lithuania, in terms of statistical data of convictions it was not stable due to registration gaps and high latency of criminality, which decreased after 1935. During the WW II due to changes of occupational regimes statistics is not reliable and was not collected.
The post war period 1947 - 1959 is characterized as the period of national resistance to occupation. Therefore indicators of the registered crime are not reliable as they show repression carried out by occupational government and conducted under circumstances of resistance, not the evolution of criminal offences.

The actual evolution of crime lends itself to comments only after amendments of criminal law in 1961. During the period of the so called mature socialism the number of convicts grew alongside with the number of persons who committed crimes, but not as fast as the latter. The number of convicts increased by 25 per cent. During the period of rebirth and after the restoration of independence activities of the soviet repressive institutions had gradually narrowed, they were started to reorganize, departments of new, formerly non existent, institutions of law and order were established. There is no doubt that during the period of reorganization 1987-1991 their opportunities to act actively were limited, that is why crime latency increased and, consequently, the number of convicts dropped. After 1991 the number of convicts is constantly growing. As mentioned the growth of number of convicts exceeds the number of registered and identified offenders by 50 per cent because actual means to dismiss a case on legal basis have been narrowed. The number of convicts who were sentenced to prison is one of the highest in Europe and democratic countries in general.

Therefore from our point of view the main problem of crime stabilization is the employment of legal means aimed at adequate stabilization of the number of convicts. In general it is actual to improve crime prevention.

Crime prevention improvement in Lithuania is taking place during the reform of legal system. The reform of legal system means the creation of democratic law (instead of the former authoritarian) and democratization of public institutions and their activities. It is important to shape the democratic status of man in society; that is the whole of human rights and freedoms, the relation between man and the state etc. During the period of transition from totalitarian society to democratic in order to achieve this aim it is necessary to pass many laws and other legal acts during a short period of time. Such a workload of intense legal creativity increases the possibility of passing imperfect laws. In its turn subjective legal practice in the application of these laws sometimes occurs. This increases the imperfection of laws even more. In addition, like in any other legal system, practice reveals collisions of legal acts and relativity of legal norms. All the above mentioned problems of reform of legal system complicate improvement of crime prevention in Lithuania and decrease its effectiveness.

The vast majority of Lithuanian people, and lawyers in particular, think that the crime prevention system of soviet times was of repressive type. That means that the reorganized system of prevention does not have to be repressive. Therefore it is important not only to reorganize the system of crime prevention, but to teach people working within the framework of this system to think democratically in order the work was carried out in the spirit of democracy and would not infringe upon international documents on human rights and the Constitution of the Republic of Lithuania.

In our opinion there are several important points in modeling crime prevention priorities in contemporary Lithuania. First of all the understanding that crime prevention is not a task for law and order institutions solely. Responsible for carrying out of the task is policies, other governmental and non-government
institutions, mass media, economic and financial institutions etc. To summarize – crime prevention is the whole of efforts, programs and means carried out by the state, institutions of the state and ordinary citizens. Second - work improvement of government and public institutions is prerequisite for carrying out crime prevention. Third – democratization of relations content with a person to whom preventive means are applied. This is done by setting his personality free from repressive behavior control and by giving more responsibility for his own behavior to the person himself.

As you can see crime prevention problems are numerous. But the aim of our work is to analyze the ones, which influence the efficiency of penal institutions and post penitentiary help.

We would like to focus on three groups of problems 1) penalties and their imposition improvement policies 2) improvement of quality of work in imprisonment institutions. 3) support to persons upon their return from imprisonment institutions.

The state and society are doing their best to solve all the above mentioned issues but there is no obvious improvement of the situation.

1. In penalty policies the opinion that the time of penalties should be cut down prevails. It is important to narrow the application of imprisonment and to apply economic sanctions (fines, non custodial correctional works) or suspension of punishment, and alternative preventive measures to under aged children wider. If average imprisonment time imposed by courts was compared to that which prevailed in totalitarian state we would see that it has slid down. Although efforts of the state to control crime by dominantly one, repressive method inherited from the totalitarian state, remain. On the other hand we can not blame the state solely for this type of crime control efforts. Sociological data shows that society makes the state to behave this way. The society supports, more than that, even demands more active democratic changes in administration of social and economic spheres but in the sphere of crime prevention totalitarian point of view remains. Application of even harsher punishment and restriction of freedom alongside with restriction of a wide range of other rights of offenders is viewed as the only way to reduce crime. Political parties meanwhile (both in majority and minority) striving for popularity in the society do not dare to give a different, based on scientific research, opinion.

Meanwhile scientists criminologists, both local and foreign, give obvious proves of uselessness of this type of thinking. For example Norwegian criminologist Nils Christie submits statistical data about the number of offenders and number of prisoners, accounting for more than one hundred and fifty years (since 1814 till 1991). The data obviously and representatively shows the irrationality of repressive thinking, because during the longer part of the period researched, these numbers have no correlation whatsoever. The increase in the number of offenders during the last thirty years can be accounted for by the previously inadequate number of prisoners. Therefore in this case we can observe a phenomenon when repressive policies of prevention influence the increase of crime.

In the United States of America where the crime rate is extremely high and is much higher than in Lithuania imprisonment is not as long as in Lithuania. For example in the state of Maryland an average punishment for murder is sixty three months (approximately 5 years) whereas the average imprisonment time in Lithuania in 1992 was close to ten years.
In northern countries, where comprehensive help to man is the basis for crime prevention, crime rate is not very high. In Denmark criminal responsibility to underage children is from one week to seven / eight months and is being endured in children institution alternative to penal institution. Pretrial detention is also to be endured in an alternative institution. Meanwhile in Lithuania average imprisonment time for underage children is three years. More than that it has to be carried out not in alternative but in a penal institution.

Projects of new criminal and criminal procedure codes of the Republic of Lithuania are in the final stage of preparation. Planned is a wider application of different measures but imprisonment, cutting down on imprisonment sanctions (for teenagers in particular), increasing the frequency of application of alternative to measures teenagers is encouraged. As far as often that is sending to an alternative educational institution, where an underage child would have to spend quite a long period of time (maximum possible duration is up to three years) this measure will be applied by courts. It is considered that at this time courts can best ensure objective application of measures of influence which are alternative to punishment. But this will no be considered as previous conviction and, although applied by court, for an underage child it will not create consequences of previous conviction.

The policy of criminal justice and its imposition policy although is not very progressive leaves a lot of possibilities for improvement of the above mentioned problems solutions and crime prevention.

2. The second group of prevention problems stems from the work of penal institutions. Success of work here, first of all, depends on progressiveness of punishment and its imposition policies. These policies would manifest this way: the time of punishment would not be too much excessive and the convict would not stay in a penal institution longer than it is necessary for the effectiveness of the punishment.

In its turn the effectiveness of preventive work of institutions, which solve problems of offenders upon their return from penal institutions is inevitably linked to the quality of work in penal institutions.

Therefore it is important to discuss the main guidelines of work quality improvement in penal institutions.

Right after the restoration of independence repealing of an attribute of Gulag regime (in that sense the concept of regime is understood in the Gulag system) could have been carried out with no financial expenditure. In the West Europe and Northern countries this concept of regime does not exist as there are no restrictions of prisoner’s existence and more dangerous prisoners are merely being guarded more carefully.

When the independence of the state of Lithuania was restored and The Provisional Basic Law was passed alongside with the act declaring that no Soviet legal act is in force if it contradicts provisions of this Law. Therefore on this basis different acts regulating the functioning of penal institutions should have become null and void. In addition, on the basis of this act a legal base to change The Correctional work code articles which regulate the application of requirements was created. But even nowadays not much has been done, although the above mentioned legal basis was created ten years ago. Simultaneously with the adoption of Constitution of the Republic of Lithuania adopted was the “The Law on the procedure of enforcement of the Constitution of the Republic of Lithuania” (1992 November 6th). Its second
article proclaims once again: "laws, other legal acts or their parts thereof which were in effect on the territory of the Republic of Lithuania prior to the adoption of the Constitution of the Republic of Lithuania, shall be effective provided that they do not contradict the Constitution". So in the legal sense abolition of the Gulag type of regime was resolved whereas in practice Gulag type regimes are still in effect. Last part of article No.21 of Criminal Code of Lithuania reads "the punishment does not aims at inflicting physical pains or humiliate person’s dignity". And Gulag type regimes in penal institutions contradict to this regulation of Criminal Code. By the way, the regulation itself is progressive and is in line with corresponding regulations of other European countries. In opinion of European criminologists and penal institutions workers it is mandatory to actively maintain dignity and inviolability of the person of the convict and to develop tolerance towards qualitative narrowing of his personality in penal institution and after they are set free.(2.p.392 – 393) When the person has this type of status it is urgent to strive for positive social and personal adaptation in the society. Therefore it is imperative to lift all restrictions of communication with relatives - mail, dating, remittances should not be restricted. Degrading ways of discipline enforcement should be abolished. More than that, workers of penal institutions should help every prisoner to maintain positive social relations with friends in freedom. This way human rights would be less violated and better socialization of convicts and other persons obligatory for life in regular society would be restored and maintained.

3. More progressive (and simultaneously effective) solution to the two groups of the above mentioned problems is the major assumption for a successful solution to the third group of problems. Social workers who give support to persons upon their return from penal institutions would have to work with less de-socialized persons for whom re-socialization in the society would be less complicated. This way the help of social workers would be more effective and would cost less.

There is no doubt that help measures for persons upon their return from penal institutions cost a lot. The volume of financial support by the state for the solution to the problem determines the volume of work. Economical and efficient employment of money is very important here. All democratic countries pay more attention to re-socialization of persons of this type. Different public and government institutions where social workers work and help each and every person are being set up in Lithuania. Financial, support, employment, accommodation problems are being solved in a complex manner. Although people in Lithuania live very modestly they set up different public institutions to render support. Our thoughts are in line with resolutions of an international conference “Penitentiary reform and its perspective” held in the Law Academy of Lithuania in 1999 October 19-20: Major guidelines of penitentiary reform: decreasing the number of convicts in correctional institutions, liberalization of penalty imposition policies, and application of punishment alternative to imprisonment, creation of work places to convicts, general and professional education of prisoners, improvement of conditions of life and accommodation, upgrading working conditions of workers of correctional institutions.

Besides there is a problem of qualified and competent personnel. Many social workers do not have legal authorization to protect the rights of socially problematic people. Therefore there are many constantly emerging problems on government and public level which call for solutions and are being solved and understood in a
humanistic manner. This can be considered as a foundation for an optimistic vista to
the future.

Conclusions

Rounding off the problems discussed in the article we can draw following
conclusions:
During 1961 – 1988 registered crime in Lithuania increased by two times (complex
evaluation).
Since 1989 due to M.Gorbachow’s perestroika in economy and society crime starts
changing. After the restoration of independence in1990 the changes occurred due to
development of market economy and formation of democratic society. That’s why
statistical indicators of registered crime changed drastically during 1988-1998: there
were 3,6 more crimes registered. The number of offenders identified increased by
two times, meanwhile the number of convicts increased by 2,5 times.
This period of years 1988-1998 is not monolithic. We can distinguish two parts in
this period. The first part the years of 1989-1994. During this period of six years
there was a leap criminality. During the second part of five years a relatively low
increase of criminality is observed (by 5-7 per cent annually).
In criminology the development of registered premeditated murders is an indicator
of crime change (latent parts included). Since1995 a drastic trend towards decrease
in the above mentioned crimes is being observed. This can signify stabilization of
crime during resent years in general.
One more indicator promising relative crime stabilization is the decrease of “input
of persons who do not work and do not study (especially among underage
children)Its part in total number of offenders dropped from 10,02 to 7,18 per cent
(the decrease in absolute numbers is rather evident – 267).
When the rebirth period in the Baltic states started (1988), traditionally the crime
rate was 1,5 times lower if compared to Latvia and 1,3 times lower if compared to
Estonia although social-economic conditions were the same. But according to
present comparative indicators (rate per10 000 inhabitants) crime rate in Lithuania
remained 1/3 lower if compared to Estonia, but 1/5 higher if compared to Latvia.
During the period of independence the number of convicts was growing steadily
(1990-1998). Therefore in order to achieve social stability in the society (and surely
enough in prevalence of criminality as well) it is important to strive for
improvement of criminal and penalty policies, to organize prevention of crime and
prevention of recidivism in particular. In doing so it is important to refuse
application of only repressive means of criminal prevention policy, as they naturally
inspire the increase of criminality ant its constantly high level.

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FUTURE SCENARIOS OF THE BALTIC COUNTRIES

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Introduction

Six years ago the Baltic countries had just regained their independence and "popular fronts & singing revolutions" were still active. Different kinds of movements were important parts of everyday reality in every society. At that time all new (and very young) politicians and new political coalitions that had replaced the old communist regimes, were very optimistic about the future. A typical statement of a political leader could have been as follows: 'Now when we are masters in our own houses, we can easily make our economy flourish, and the living standard of the population will increase rapidly'.

The goal that all the Baltic countries set for themselves, was to become modern market societies before the end of this century. There is no doubt that the social transition has been rapid in the Baltic countries. During the last five years a lot has happened in different social spheres (E.g. in politics, legislation, culture, economics etc.). State socialism has disappeared, firms are privatized and market relations have been established. Economic indicators for Estonia tell E.g. that during last three years GNP has grown more than 4% annually, inflation has decreased to less than 15% per year and average wages were almost doubled. At the end of the year 1996 the average monthly income in Estonia was USD 248 and in Lithuania USD 155, four years earlier the same figures were USD 45 and USD 27 (Bank of Finland 1997, Suomen l, hialueet 3/1997).

Still we can ask that how radical the change has actually been? What have changed and what has not changed? How can we interpret the change and to what directions will the societies develop in the near future?

I shall discuss these questions in my paper. I shall also present a future scenario, or future scenarios, for the Baltic countries. These scenarios are based on expert interviews that we have conducted in the year 1996 (see Blom ed. 1997). We interviewed altogether 18 experts from different Baltic countries. The discussion themes varied from current issues, such as politics, social policy or unemployment to future scenarios.

Before going to these questions I'll briefly discuss the question of post-socialist elite. This is important for two reasons. Our experts are all members of national elites, and secondly elites have played a very crucial role in the transformation processes.
A New Elite

The collapse of the Soviet regime in the Baltic countries did change the system. Economical and political power was redistributed. All of a sudden former communists disappeared and new faces were leading the most important social institutions.

After the October revolution communists established new regime. In a short period Russian capitalism was abolished and new state socialist system created. Old capitalist class as a dominant social force was replaced and New Class gained the power. After the second world war the same process took place in the Baltic countries. The New Class was a managerial and political class. The members of new elites were recruited from all layers of the society.

Some sociologists have claimed that the Soviet type societies were ruled by one social group, the nomenclature (see Wossensky, 1980). Other said that it the intelligentsia that was coming to be the most important New Class (see Szelenyi 1979). My own empirical studies (Melin 1996) showed that actually there were several competing elites in the Soviet type societies. For example the interests of the military elite were different from those of humanistic elite.

In their recent article Ivan Szelenyi and his colleagues analyze the class structure of contemporary East Central European societies (Eyal et al 1998). Their main concern is with post-communist managerialism. Their thesis is that "with the fall of communism the technocratic-managerial elite was able to occupy the command positions of the economy. ... The key positions of political power were captured by humanistic intellectuals" (Eyal et al 1998, 67).

The authors stress that cultural capital is having an important role. This means that the opinion-making humanistic intelligentsia constitutes the dominant fraction of the new power elite.

In the following sections I'll discuss the opinions of Baltic experts concerning the future of their societies. Experts whom we interviewed are all representatives of national elites in their own countries. However they represent quite different kinds of elites. There are former ministers, scientists, journalists, politicians and economists. All the experts are in one way or other connected with politics and state apparatus and belong to the humanistic intellectuals. We have no business leaders in our 'sample', so there will not be any managerialistic voices. Our data is also male dominated, we interviewed only three female experts out of 18.

Experts' Voice

This paper is based on the work of the Comparative project on social change in the Baltic countries (see appendix 1.) In this project our main aim has been to analyze social transition, or to put it in other words (re)development of capitalist social relations in the Baltic countries.

Social change in the Baltic countries-project have gathered several types of data settings. We have conducted nation wide surveys, we have done qualitative household interviews, a community study in Estonia, and two industrial case studies in Tallinn. Our latest 'project' was the expert interviews.

The aim the interviews was to get information which was not possible to gather with other methods. This kind of information is related Eg. to institutional relations, the
politics of economy and technology, the state of cultural life etc. We also wanted to 
have evaluations concerning the main features of the structural change and living 
conditions of the Baltic people. Finally expert interviews provided an excellent 
possibility to get future scenarios for each of the Baltic countries.
The expert interviews were not interviews in a traditional meaning. They were more 
like a dialogue between two different kinds of observant or experts. The discussions 
had five themes: economic situation and institutionalization (fiscal policy, money 
reform, privatization etc.), labor relations and social security (labor markets, social 
policy etc.), politics and civil society, ethnicity and ethnic relations and global issues 
(Eg. future scenarios). All interviews were recorded and each of them lasted about 
two hours.
Future scenarios can be divided into three main groups:
1. Economic development,
2. European integration and
3. Culture.
There are a lot of similarities but also clear differences between the countries. There 
are also a lot of varying views within the countries.
We have interviewed experts who have university degree in economics, and who are 
currently working as economists from every country. In the Baltics there seem to be 
two joint 'big' economical issues which need to be solved in relatively near future. 
All experts are looking forward in seeing their country in EU. This is considered to 
be vitally important for all economic development. The second problem is Russia. 
Economically Russia is seen as a huge potentiality, but there are several economical 
and political barriers to be won before the Baltic countries can fully cooperate with 
Russia.
All the experts who were discussing the economic issues stressed the gateway role 
of their country. The trade between Russia and the western countries is supposed to 
increase, and the Baltic countries want to be The Gate from west to east and vice 
versa. Both Estonians and Latvians considered that the ports of Riga and Tallinn 
will be in future kind of 'gold mines' for their owners.
"Our most productive branch is formed by the ports: they form the basis of the 
incomes in the state budget, and it expresses everything." (LAT)
The future of manufacturing industries is in many ways open. The scenarios are 
clearly contradictory in this respect. Estonians are most optimistic and Latvians 
most pessimistic about the future prospects of industrial production. In both 
countries there are big 'all union enterprises' from the Soviet period, but new 
openings and new investments are urgently needed.
"I see Estonia as a highly developed, hi-tech-based society with media or 
information-based trade and small enterprises. ... All kinds of small enterprises 
based on hi-tech will flourish in Estonia." (EST)
"Manufacturing is very unproductive, actually it is now below zero. ... Business is 
slowing down at the moment." (LAT)
A lot of expectations is put on high-technology. Technological change is supposed 
to rapid and easy. The scenario is that the Baltic countries just jump into the new 
era. At least the Finnish experience is more painful. In Finland the coming of the so 
called information society has taken a lot of time, it has caused unemployment and 
the costs and benefits are, at least thus far, distributed unevenly.
Tourism is an other important new branch of economy. In every country tourism is considered to bring much money and possible new investments. As in all economical development regional differences are important, the growth is concentrated into the capitol areas. Capitol areas are seen most successful also in tourism business.

All experts share a common fear and that is the growth of unemployment. Against the expectations unemployment rate has thusfar been very low in the Baltic countries. There are good grounds to believe that unemployment is increasing in the future. Behind the official figures are a lot of hidden unemployment. From the western experience we know that organizational and technological change has always meant the growth of unemployment. We also know that there are huge regional differences in employment figures, in capitol areas there is no unemployment, instead there a shortage of labor force, and in rural areas unemployment is the major social problem. As a respond to this problem one Lithuanian expert suggested a program to vitalize the villages.

All experts are worried about the lack of investments. Investment rate has decreased. Though the amount of foreign investments to all Baltic countries has increased, last year they were ten times bigger than for five years ago, these investments are however not so big. And the real problem is that local, national, investments are at a very low level.

There were also some differences in experts' evaluations concerning the reforms that has been made so far. Some experts stressed that the adopted policy has been too much market oriented and the speed of the reforms has been too high. On the other hand there were also tunes which demanded even more radical decisions Eg. in privatization.

All in all the experts see the economic development of the Baltic countries very positively. They believe that in spite of the current problems (inflation, unemployment) the future will be good.

The second "big" theme in the interviews was the European integration. When we planned the discussions themes, this topic was put on the agenda only as one aspect in economics. We did not put any special emphasis on the question. However interviews showed that European integration and the role of the Baltic countries in this process is of vital importance. The theme of integration penetrates all social spheres, but there were two issues above all others: economics and national security. Or to say the same thing in other words: EU and NATO.

The starting point is that the Baltic states want to take distance from Russia in every possible way. Experts stressed strongly that the Baltic countries belong to the west, that they are western democracies, not any Euro-Asian periphery. There are also good grounds for this kind of evaluation; in economic terms European Union represents one of the most developed parts of the world, while Russian economy is in deep crisis. Thirdly integration will provide guarantees for national security. It is supposed that Russia is not willing to fight against NATO.

"All Lithuania wants to live as in the West, in the European Union, because these are the most developed countries. ... If you are in the union with those big countries, the danger from other countries, or the so called danger from the east should decrease."(LIT)

This is the overall image about integration and we can say that this image rules the Baltic countries. In principle also experts do share these views, but they see several
problems connected with the integration. First they are aware of the fact that there are certain economical issues which mean that it will take more time before the Baltic countries are ready to join EU than is commonly believed. Secondly, the legislation has to be changed in many spheres, for example there are unsolved problems concerning the position of ethnic minorities in Estonia and in Latvia. Thirdly, issues related to foreign policy and security are open. Baltic countries have not solved their relation to Russia. Finally, EU is planning to take new members gradually. This means that only Estonia will be in the 'first wave' together with Poland, Tchek-republic and Hungary. The future of Latvia and Lithuania is open in this respect.

Experts stress that the public image concerning the EU is naive. According to them, people commonly think that joining the EU would solve all the problems and the future will be automatically wealthy. But there is the other side of coin as well. For example, what will happen to the agricultural production and food processing industries, which are important for the Baltic countries, but at this moment they cannot compete in the European markets.

"Every stick has two ends. For instance, the instructions of the World Bank and others for the period of crisis are absolutely unacceptable, for instance the insistence on rising the retirement age." (LIT)

In spite of the history Russia is of vital importance for the Baltic countries, and Russia is a fact that cannot be denied. Experts saw Russia not only as a threat to the national security, but also as possibility. Russian markets are huge and the Baltic countries cannot survive without the Russian markets. Actually, in every country one of the most important future scenarios is built on the idea of gateway position.

In spite of the current economical and political difficulties all experts believed that the Baltic countries will join EU around the year 2000.

Third major theme in the future scenarios was culture. We were surprised how spontaneously the experts expressed their worries about the future of the national culture. What do the experts mean whit culture? They interpreted culture quite broadly. In their minds culture was for example language, own TV stations, rural way of life or literature.

Their biggest worry was with money: "we cannot compete with global mass culture". Especially younger generations will adopt new values, new ways of consumption and new ways of life. All this mean that the old national mentality and traditions are in danger to disappear. Experts recognized the threat of "cultural imperialism". This phenomena is not new in the Baltic context. During the Soviet period it was pretended by Russification, today the same imperialistic phenomena comes from the west in the form of satellites and videos.

Cultural deprivation is a real problem especially in rural areas (Estonia, Lithuania). It is not any exaggeration to say that in the villages cultural life is dead. During the 1990s cultural centers and activities around them has disappeared. Professional culture has become, at least partly, dependent on markets and commercial support.

There are also more optimistic tunes. Latvians told that the private initiative in cultural matters is increasing.

"People do not just wait for the state to do something, but they organize themselves cultural activities and events. ... I think cultural situation is maybe more promising than other spheres of life". (LAT)
Beside economy, European integration and cultural matters, future scenarios included also many other issues. The development of the political life was discussed with many experts. In this respect the key problem seems to be the stabilization of political life, including the development of modern political (mass) parties. This was considered to be a problem in every country. Environmental problems were present especially in the Latvian case. The pollution of rivers and cost is an urgent problems

**Sociological Interpretation of the Transition**

The results (see Blom et al 1996) of the comparative project clearly highlight the contradictions inherent in the ongoing changes. The basic institutional pillars for a new social order in economic and fiscal relations were founded within a reasonably short space of time, even though there still remain some fundamental flaws (control of banks, insurance arrangements, regulation of trade contracts, currency stability, inflation).

Legislation on labor market and bargaining relations is fairly comprehensive, but the implementation of the relevant laws is difficult. The development of the social security system is still on going, but there is a definite need for increased regulation. Poverty and marginalization are bound to remain fairly long-term problems in all the Baltic countries, even if the experts are right in predicting improved productivity and rising national income.

The polarization of the population is one of the main threats to political legitimacy. Combined with the widespread feeling of social insecurity, it is shortening the latency of expectations of political performance and causing a deep sense of apathy in large numbers of people.

Political instability will remain the rule, even though the power divisions will be very different in Lithuania than in Estonia and Latvia. Similar differences are also evident in the problems of ethnicity and citizenship.

The figures of growth do not reflect the real situation in comparison with the pre-independence era. In other countries of Central and Eastern Europe growth is at 70-80% of the 1989 level, and there is every reason to believe that the figures are markedly lower in the Baltic countries.

Industrial production declined sharply during the first years of independence in all three Baltic countries, and it is only during the last two years that there have been some signs of slow recovery in Estonia and Latvia. In Lithuania the decline is now beginning to bottom out. According to Statistics Finland the current figures of industrial production compared to the year 1990 are between 32-49%, Lithuania having the lowest and Estonia the highest figure (Suomen l, hialueet 1/1997, 64).

All the Baltic countries have a stable currency. Fluctuations in price levels have slowed down, but in all three countries there are considerable inflationary pressures. Although inflation rates have declined considerably, the annual figure was long at around 25-30%, but during the last year it has dropped to 10%. This can be explained by the growth of productivity, the influx of foreign investments and fairly lax wage policies.
TABLE 1
Key Features of Social Change in the Baltic Countries

<table>
<thead>
<tr>
<th>Economic growth</th>
<th>ESTONIA</th>
<th>LATVIA</th>
<th>LITHUANIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth of industrial production</td>
<td>cyclical, rising</td>
<td>cyclical, rising</td>
<td>cyclical, stagnating</td>
</tr>
<tr>
<td>Stable currency</td>
<td>yes</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
<td>cyclical and decreasing</td>
<td></td>
</tr>
<tr>
<td>Control of banking and fiscal institutions</td>
<td>under developed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social security</td>
<td>low level, relatively unequalizing</td>
<td>low level, unequalizing</td>
<td>low level, equalizing</td>
</tr>
<tr>
<td>Regulation of industrial relations</td>
<td>Formal existence, low implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
</tr>
<tr>
<td>Mass mobilization</td>
<td>Cyclical and decreasing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mass party system</td>
<td>Not existing</td>
<td></td>
<td></td>
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<tr>
<td>Civil society</td>
<td>Weak</td>
<td></td>
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<tr>
<td>Citizenship and ethnic relations</td>
<td>Not solved</td>
<td>Not solved</td>
<td>Solved</td>
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<tr>
<td>Social divisions</td>
<td></td>
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<tr>
<td>- Class</td>
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<tr>
<td>- Region</td>
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<td></td>
<td>Urban/rural</td>
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<tr>
<td>- Gender</td>
<td></td>
<td></td>
<td>Male dominance</td>
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The banking sector in the Baltic countries grew up in a situation where there was very little demand for initial capital and where state control of the banks was inadequate. Combined with the fact that large chunks of the banking sector were connected to 'unofficial economic activity', this resulted in an increasing number of bankruptcies. All Baltic countries are currently moving towards stricter control of the banking sector.

The level of general social security (unemployment benefits, child allowances) is low. There is no project under way to build a comprehensive regime of the kind that exists in the Nordic countries. The next step in all the three countries is to create a unified pensions scheme.

Although there is comprehensive legislation on labor market relations, the actual regulation of labor relations takes place at the central state level. Neither the trade unions nor employers' organizations have nationwide operations at the work place level. Any collective bargaining at the local level is restricted to the biggest (formerly state-owned) companies.

Unemployment has remained at a relatively low level in all three Baltic countries. Compared with the OECD countries the official figures are low, at between 3-7%. Sociological surveys indicate, however, that the true figures are even three times
higher. All three countries have a nationwide network of labor exchange offices in place, but as yet they remain quite ineffective. The preconditions for interest formation are scarce. Channels of need and interest mediation are lacking, and the elements of mass society are clearly visible. It is obvious from all this that civil society is only just in its making. Political parties are not any genuine mass parties with a firm field organization, but rather cliques revolving around powerful personalities.

The social structure of power has seen profound changes since the Soviet era. However, the power constellations are somewhat different in the Baltic countries. Estonia has moved more clearly than the other countries in the direction of native-origin elites. It has not been easy to transform the old organizational and symbolic capitals dating back to the Soviet era into power resources applicable in the new historical situation.

In Latvia, power is very much divided, with administrative and political power is in the hands of the native Latvian population and economic power controlled by the Russian elites. Ethnic lines are less prominent in the division of power in Lithuania, although Polish and Jewish elites do play a role in Lithuanian social life. All in all, the level of productive transformative power is still too low in all Baltic countries.

The political instability that continued to prevail in the Baltic countries effectively undermines the social legitimation of power. The problems of security and need-satisfaction change the problems of legitimacy from values of independence and legal nation-state to those of material survival and well-being. The actual development does not really live up to expectations, and underlying this is the problem of the latency of democracy and efficiency beliefs.

Baltic countries are not similar kind of class societies as Eg. the Nordic countries. Capitalist class is still almost lacking, at least there is no continuity. The same is with the wage laboring middle class(es). Structurally the working class is the biggest class group. In the Baltic context we cannot talk about class as social actors or classes Marxist terms as "Klasse fur sich".

There are major regional differences in all Baltic countries. In each country the capital regions are far more developed than the other parts of the countries, with the exception of the Kaunas area in Lithuania. Poverty and unemployment is heavily concentrated in the rural areas.

Gender divisions are based on the former Soviet-type system. This means that Baltic societies are highly paternalistic. Men and women are not equal, but males predominate in all the important social institutions.

As far as system integration is concerned, the uneven institutional development in the Baltic countries may lead to very difficult relations between institutional sectors (economy, social security, institutions of science and education and moral regulation) and their actors. The higher level norms to unite systemic development are also underdeveloped.

Social integration is affected by conflicting pressures. The list is headed by social insecurity which is affecting people's everyday interaction, rural poverty and communal disorganization and a generation gap with different life-styles and values. There is a close link between the lack of real interest mediation and the problems of social integration.

Every society needs channels of interest and communicative mediation in order to have a solid basis for social integration. Social integration also requires a
developing sense of justified equality or inequality. Even if there are differences in the Baltic models, what comes to timing, living conditions and structural frames (Eg. ethnic and power relations), similarity is the rule.

Conclusions

Experts' voice is the voice of elite. It seems that Szelenyi's and his colleagues thesis about the role of humanistic elite is true in the Baltic context. What is also important to notice is the fact many members of the contemporary humanistic elite were in a power position already during the state socialist times.

In this paper I've presented two different kind of images concerning the modernization of the Baltic countries. Baltic experts are relatively optimistic about the scope and speed of the social transition in the Baltics. My interpretation is that their scenarios represent 'official optimism' in spite of their currant position. Key elements in their scenarios were:

Economy: Gateway between east and west, low inflation, low unemployment, strong currency, hi-tech based industrial growth.

Integration: EU and NATO as main goals, integration is part of national safety.

Culture: Transnational mass culture is threaten national culture.

Our evaluation is more pessimistic, or we are presenting 'sociological realism'. Social change is a process which is more or less permanent. Modern societies are in constant flux. We can privatize the economy, make new legislation and promote market economy in many other ways. But this does not mean that modern (middle) class society will emerge in ten years.

Our thesis is that social practices are slow in their motion. My conclusion is that in their scenarios the experts were expressing their optimistic visions, and not so much making any analytical prognosis concerning the development. This, of course, is their right. Though experts were optimistic they also admitted that there is a lot of work to be done before the scenarios will be a part of existing social reality in their countries.

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FEAR OF FUTURE IN THE MODERN WORLD:
A RUSSIAN CASE

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Introduction

The subject of this paper is fear of negative events and processes of social
significance, and fear of catastrophes—specific events which threaten almost all
people in a given area, a city, a region, a country or the world, with extremely
negative consequences, fear of the highest magnitude. This paper will not address
issues of individual relevance such as unemployment, catastrophic illness or the
death of a significant other. When other fears are addressed it will be mostly, but not
exclusively, with the fear of catastrophes, or with catastrophism in mind.

Fears in Individual and Social Life:
the Reflection in Religion and Philosophy

The fear of negative events and negative processes in the near or distant future has
played an important, and in some cases crucial, role in the life of individuals and
society. Trepidation concerning the unknown and unexplained is deeply rooted in
the human mind, probably at the genetic level. Thus, it is not surprising that for a
number of thinkers it is the most important, or one of the most important, elements
in human life. As Andre Malraux once said, "fear is deeply rooted in each of us, to
discover it is enough to see deeply in yourself."

Fear in general, and the fear of catastrophes in particular, has been a fundamental
aspect of the human experience since the dawn of time. It is only natural, then, that
two of the principle spheres of human culture that deal with the meaning of life—
religion and philosophy—have devoted an enormous amount of attention to fear.
Almost all religions address the concept of evil, which exists as a permanent threat
to people. Eschatological and apocalyptic writings were an important part of ancient
Hebrew religion and Christianity. Various sects made impending catastrophe the
main element of their creed, and such sects continue be a part of life in the modern
world.

In philosophy, it was, of course, modern European philosophy after Thomas
Hobbes, with his gloomy vision of the world presented in Leviathan, which devoted
much attention to human fear and catastrophism. One of the major philosophical
debates of the 17th, and especially the 18th century, a debate which goes back to
Roger Bacon (13th century) and Jean Bodin (16th century), revolved around the
concept of progress. A number of philosophers rejected and denounced the idea of
progress. Voltaire, for example, vehemently disputed "Panglossianism," Gottfried
Leibniz's theory which posited a benignly designed universe. Strongly affected by
the horrors of the Lisbon earthquake in 1755 which was followed by a tidal wave
and a fire which together destroyed the entire city Voltaire insisted that mankind, despite its powers of reason, should not be confident that it lives in "the best of all possible worlds." Apart from Voltaire, however, pessimism as a dominant theme didn't emerge in philosophy until the second half of the 19th century, with such philosophers as Arthur Schopenhauer and his successor Eduard von Hartmann, Soren Kierkegaard, Friedrich Nietzsche (with his call to "face the abyss"), Martin Heidegger, Karl Jaspers and Jean Paul.

Fear and Catastrophism in Social Science

While fear in general, and fear of catastrophes in particular, has played such an important role in religion and philosophy, it has not attracted significant attention from social science. Meanwhile, conventional wisdom assumes that the mood and the behavior of individuals, groups and the nation as a whole depends very much on the feelings about the future, be they optimistic or pessimistic. Thus it is surprising that, since their emergence in the 1970s, studies on quality of life have mostly ignored the role of fear in human life and its impact on the quality of life. It is especially surprising because these studies were oriented to find out, among other things, what people felt about various elements of their lives.

In addition, the number of sociologists whose studies are devoted to catastrophe is very limited. Most of them are concerned with post-catastrophic situations, such as how societies, organizations and communities respond to technological or ecological disasters, or how individuals and the public adapt to disasters. As far as I know, few publications are concerned with the sociology of catastrophe in general, except for the outstanding work of Enrico Quarantelli. Fewer still are concerned with catastrophic mentality as a social issue. Even literature that deals with collective behavior and social movements only occasionally raises the issue, and it is never really considered an important social phenomenon. Only in the studies of crowd behavior, including panic, does fear as a significant social problem emerge as a main issue. However, recent studies in this area pertain only to specific cases and not to the catastrophic mentality of people in "normal" times. Even Erich Goode and Nachman Ben-Yehuda's seminal book Moral Panics (1994), the recent publication closest to the subject of this paper, deals only with single cases concerning fears which emerge as a result of moral crusades (against alcoholism, sexual assault, homosexuality, and child molestation) organized mainly by "moral entrepreneurs." Generally speaking, then, Samuel Prince's statement of seven decades ago still holds true: catastrophic thinking remains "a virgin field in sociology."

In contrast, Russian social science is very much more concerned with the role of negative tendencies and other fears in social life. Russian social scientists, reflecting on life in post-Communist Russia, regularly monitor the intensity of fear in Russian society and regularly publish articles on this issue.

Fears in Society

Fear, in a variety of forms, is a fundamental feature of life for practically every individual, group and society, and has an important function. Fear, whether reasonable or not, serves like physical pain as a danger signal about potential and
real threats to the well-being, and even the very existence, of the individual, group or society.

While there is a general subconscious "basalt"—to use Carl Yung's term—or existential fear, most fears which circulate in society are of a specific character, usually indicating a clear source of danger. Fears of this type in the contemporary world include: technological catastrophes; large-scale terrorist attacks; nuclear war; total war or invasion by neighbors; various international crises; civil and inter-ethnic war; the regionalization and disintegration of the nation-state; globalization of the world and the loss of national identity; genocide; occupation of one's country by a foreign power; the seizure of power by some aggressive group, such as Communists, or "pro-animal extremists"; the seizure of a country by its own government after being turned into agents of foreign governments; dictatorship and mass repressions; sudden economic crisis; bad harvest; natural disasters of a global scale; outbreak of epidemics; global or universal extinction; Armageddon—the end of the world.

The character of each threat is so powerful that it makes it virtually impossible to design a comprehensive general theory of fear, a phenomenon in which emotional and cognitive components are strongly intertwined. It is possible, however, to elaborate a theoretical framework capable of helping us to understand the place of fear in social life.

According to the conceptual framework for this paper and the project which underlies it, fear, as signal of potential negative developments, events or processes, is a permanent ingredient of human life. At the same time, however, fear is countervailed by various coping mechanisms which alleviate or even suppress fear. The types and intensities of various fears, as well as the interactions between fears and their antidotes, vary through time and across societies. This variance is determined by numerous factors of very differing natures, ranging from the history of nations to their current economic moods.

The goal of this paper is to draw attention to an issue which is mostly neglected by sociologists and even social psychologists, but not by theologians, philosophers, psychologists and especially psychiatrists. Not all the hypotheses and ideas presented here can be substantiated with rigid empirical data. Most of the necessary data are simply not available, and the project at this incipient stage can produce only a small part of the data needed. The primary unit of analysis is "the ordinary individual," and when the unit is a social group or nation the assumption is that the group is an aggregate of individuals. The empirical data for this paper primarily will be gathered from Russian society, but some American data will be used for comparison. Since the ratio of optimism to pessimism in Russian and American cultures is radically different, comparing the role of fear in both countries can be quite fascinating.

Fears as a Social Construction

It is generally accepted that fear is a mental construct, and is shaped under the impact of various external factors. The so-called "objective character" of a perceived threat is only one of these, though often a crucial one. Like Goode and Ben-Yehuda (1994) I take the position of "moderate social constructivism," trying to avoid the extremes of "naïve realism" on one hand, and "total relativism" with its
rejection of "objective reality" as an important category of analysis, on the other. Of course, images of fear change in the course of history. The content and variety of fears in the Middle Ages, for example, were in many aspects different than those of the present. What is more, the content and the repertoire of fears, about moral corruption, for instance, changes from one culture to another, and from one period to another within a given culture.

In addition to the variety of historically and culturally determined fears, however, there are also a number of apparently universal fears which recur with little variation through time and across cultures. Among these are the fear of natural disasters, fear of war and the loss of independence for one's ethnic group or nation, fear of starvation, fear of a drastic decline in one's standard of living, and fear of anarchy and crimes in society. The similarities in fears of various times and cultures makes it possible for modern scholars to understand documents of the past addressing various impending catastrophes, from Biblical prophets to the leaders of modern sects.

The concept of fear of negative developments, particularly catastrophes, in the human mind, as well as in science, is deeply correlated with the place of the individual, group and society toward the negative development and catastrophes among them. The same destructive event can be considered a catastrophe by one person and a positive event by another. This can be true about defeat in war, the collapse of empires and states, and about revolutions. Only the most "universal" disaster such as an earthquake, usually but not always, arouses a universal or similar emotional response.

The Objective and Subjective Dimensions of Catastrophes

A major theoretical issue of this article is the separation of three concepts: (1) catastrophe, or any other negative development, as an objective phenomenon; (2) an objective catastrophe as perceived by people--the subjective image of a catastrophe which has already happened; and (3) perceived catastrophe--catastrophism.

"Theoretical elegance" in the analysis of fears and catastrophes depends on carefully studying the relationships and interactions among these three concepts without confusing them with each other.

For this paper the central concepts are catastrophism and catastrophic thinking. In other words, the images of catastrophe and the possible consequences of such events or processes which have already happened, rather than addressing the actual events themselves or the perceptions and attitudes related to them, will be discussed.

An example will illustrate the three major concepts used in this article. In regards to a technological catastrophe such as the Chernobyl disaster, the article deals not with the study of this catastrophe as an objective event, nor will it study the attitudes of people affected by this tragedy. Instead, it will focus on the anticipation of other catastrophes of this sort and the ensuing consequences such as emotional or environmental.

At the same time, beyond the scope of this article are issues related to the possible outcomes of decisions made by individuals or social organizations. The effects of decision-making can range from catastrophic to very positive for those who make decisions, such as an entrepreneur, or for those whom the decision-maker represents, as in a nation where politicians are the decision-makers. Thus, all
elements of the decision-making process, including the evaluation of the risks associated with a decision, are irrelevant to this paper. It deals only with social fears of uncontrollable negative developments for the masses who are the carrier of these fears. The question of risk is irrelevant to any mass fear such as fear of nuclear war, ethnic genocide or economic depression.

**Different Participants in “The Business of Fear”**

There are various social actors who are engaged in “the business of social fear.” First, there are those people, individuals and groups, who have a primarily passive relationship to fear and are thus “the recipients” of fear, or “carriers of fear,” analogous to carriers of infection, as well as those who are exposed to the direct effects of fears.
Along with “recipients of fear” there are “producers of fear,” those people and organizations who disseminate fear for whatever reason.
Producers and disseminators of fear include politicians, ideologues, journalists, teachers, authors, and shapers of public opinion--all those who have access to the minds of the public.

Ideologists. The function of fear producers reveals itself in the role fear plays in ideology. Almost all ideologies, as well as all religions, contain many catastrophic elements. The importance of fear varies from one ideology to another. Each ideology has its own proportions of optimism and pessimism.
Marxists, for instance, consider themselves optimists, even if they believe that capitalist society is fraught with problems which could be prevented with the construction of a new society. Soviet ideology, a variation of Marxist ideology, always tried to combine an absurdly optimistic belief in a “radiant future,” including “the conquest of nature,” with attempts to scare the population with various notions about catastrophic threats, though the ratio between these two components was changing from one period to another. In Stalin’s time the weight of catastrophism was quite high. Catastrophism, in terms of “the capitalist encirclement,” as well as the thesis about “the sharpening of class struggle” and “spy mania,” was an essential element of Soviet propaganda and politics before the World War II.

In the post-Stalin era the place of fear in Soviet ideology diminished significantly. However, the danger of an attack by the West on the Soviet Union or other socialist countries, or on its allies, remained quite an important component of official Soviet ideology. At times it even reached almost apocalyptic proportions, as was the case during the short rule of Urii Andropov in 1983. At the same time, post-Stalin Soviet ideology was inclined to put more emphasis on optimism, and for this reason discouraged excessively pessimistic images of the future, such as theoretical debates about the eventual end of the Earth or the universe.
At each stage of Soviet history, Soviet ideology was quite successful at inculcating “official fears” in the public. At the same time, Russians suffered many fears generated by their actual life experiences. In addition, nationalist ideologies, and ideologies with strong religious components, were inclined to see the world and the future shrouded in black.
The general tendency of American culture, on the other hand, is to look at the world optimistically. Francis Fukuyama’s optimistic vision of the world in his “The end of history” in 1989 was another demonstration of American optimism. Despite
this, however, almost all ideologies, from extreme right to extreme left which have circulated in America in the 20th century have contained a significant element of catastrophism. The fad of building individual shelters against nuclear attack was widespread in the United States in the 1950s and 1960s. Since the 1970s, the fear of various social and environmental catastrophes has continued to be a part of various American creeds. The number of various religious, right wing and anarchist sects, and anti-government militias predicting various catastrophes, from the occupation of the United States by the forces of the United Nations, to the conspiracy of the American government against the country, to ecological catastrophe, has been quite significant and comprises millions of people. Among the most visible fears were fear of communism, nuclear war and Soviet aggression. Other prominent concerns include whites’ fear of blacks, moral decline, increasing atheism, and government corruption.

**Fears as the Weapon in Big Politics**

Similar to ideologues are politicians, who often disseminate fears, legitimate and illegitimate, for achieving their own purposes.

Fear in totalitarian society. The political elite in authoritarian and totalitarian societies use not only fear embedded in official ideology but also the fear of power, of political police, and of economic sanctions to make the population obedient to it. In general, totalitarian society has always been based on the fears of its subjects. Fear of the political police is the most significant weapon of the political elite in totalitarian and in authoritarian society. Fear of political power in Soviet society was not uniform among the people, and was more prevalent among party apparatchiks and intellectuals than among ordinary people.

However, there was enormous fear among peasants during the collectivization, and among several ethnic groups persecuted by Stalin in different periods. Such groups included Poles, Koreans, Greeks before the war, Germans, Crimean Tartars, Kalmyks, Chechens and several other North Caucasian people during the war, and Jews after the war.

Few writers have been able to describe the significance of fear in Soviet society. Those who have include Andrei Platonov, Vasili Grossman, and Alexander Solzhenitsyn. In the post-Stalin era, peoples’ fears declined significantly. However, fear of the KGB and fear of war remained, though weaker than before.

Fear is used by politicians in democratic and semidemocratic societies in order to win power in government elections. Again, it is not unusual for politicians to make strategic use of catastrophism in order to serve national interests and achieve goals useful for the nation. But fear is also exploited by politicians for self-serving ends which are incompatible with genuine national interests. There is a particular tendency for those in political opposition to include fear in their programs and to present themselves as the sole saviors of the nation from impending catastrophes.

The dissemination of fear has played an essential role in Russian politics since 1989. A salient feature of the politics of the Russian Communist party headed by Gennadi Ziuganov is the focus on future global ecological catastrophe and the mortal conflict between "the North" and "the South" for resources. Russian liberals have also been very active in producing fear. The entire presidential campaign of President Yeltsin...
in the summer of 1996 was based on the suggestion that a Communist victory would lead the country into catastrophe.

Historically, American domestic and foreign policy has been enormously affected by fear, as have the individual lives of many Americans. McCarthyism is just one example. Another is the activities of such doom predicting right-wing extremists as Gerald Smith. Catastrophism plays a visible role in contemporary American politics as well. The program of the Republican party contains a good dose of catastrophism, including eventual financial catastrophe, the degradation of the family and the general moral decay of the nation. The Republican victory in the election of November 1994 can possibly be attributed to the elements of catastrophism in American public opinion.

Fear is also used in politics. From time to time in democratic societies, and to some degree in non-democratic societies, individuals and organizations emerge who declare that various imminent dangers are looming: epidemics of mugging, rape, smoking, pornography, abortion, domestic violence, sodomy, child molestation, and many others. The promoters of fear gain a lot toward their personal careers and indirectly supporting a certain political party or regime.

Intellectuals. In all modern societies intellectuals belong to the group of active producers of fears. Intellectuals are not so much creators of ideologies and servants of political elites, but people who often see their vocation as being critical toward reality. Of course, the historical context significantly affects the positions of intellectuals. As with several Russian intellectuals who stayed in the country following the October revolution, some intellectuals could play the role of great optimists, even triumphalists, voluntarily or under the direct pressure of the dominant regime.

However, it was intellectuals in various European countries, particularly in Austria, Hungarian empire, France, the Ottoman empire, who forged the spirit of “the end of science” (le fin du sciecle) at the end of the 19th and beginning of the 20th centuries. In Russia, at the end of the 19th century and the beginning of the 20th century, one to two decades before the revolution, the apocalyptic mood was very strong among intellectuals. Intellectuals of various political colors spoke with special fervor about various dangers and even catastrophes in post-communist Russia.

Several phenomena occurred at this time: The installation of dictatorship and fascism; the collapse of science and culture; the loss of the Russian cultural identity; the seizure of the control over Russia by Western capital; the depopulation of the country and its eventual disintegration. Several Russian liberals--the fervent advocates of Yeltsin’s regime in 1995 and 1996--tried to dismiss the pessimistic mood of the Russian masses as engendered not by “objective reality” but by intellectuals, “professional whiners,” with the help of the media.

Some intellectuals saw the degradation of Russia as part of a general slide of the whole world toward an abyss. So, the famous writer Victor Astafiev wrote, “Bitterness and sadness, consternation and disappointment, because the aggressive and animal elements of the human being at the end of the millennium, as was predicted in Revelations, push mankind in chasm and arouses in it primitive instincts.”

American intellectuals also have been quite active in spreading a pessimistic outlook for the future. A number of respected American authors have pointed to
various impending catastrophes in the United States and the rest of the world. Robert Kaplan's articles describing the growing anarchy in the world are just one example of this trend in the American intellectual community, while Benjamin Barber scares with Jihad of particularisation and McWorld of globalization. These and other authors of various political affiliations speak about the growing danger of multiculturalism and the dangerous implications of immigration; about the economic decay of the United States and its growing catastrophic indebtedness; the bankruptcy of Social security; the eventual ruin of America by the fast growth of health care costs; the loss of the competition with Japan and Europe; and the final destruction of American cities.

Among other things, several scholars call upon the public to abandon the optimistic vision of developments in Africa, the Muslim world and in the former Soviet Union; about the proliferation of nuclear weapons; international terrorism; total corruption and criminalization of the world; interethnic wars turning into genocide; and ecological and epidemic disasters. Even the possible catastrophe of life on Earth ending as a result of the collision of our planet with a comet did not escape the mind of Americans as well as people in many other countries.

The high level of interest in the United States in "chaos theory," which deals with the unpredictable effect of minute causes, as well as the mathematical "catastrophe theory," which deals with sudden ruptures, is also a sign, even if indirect, of the continuing concern which American society has about the dangerous future.

The Masses as the Bearers of Fears

The masses--the recipients of fears--"acquire" their fears from two major sources: First hand information, their own experience and the experience of family; and second hand information, which they get from the media, educational institutions, and arts and literature, as well as from personal communication with other, in particular, so called "leaders of public opinion." According our survey (1996), most Russians attribute the emergence of fear in their mind to their personal experience (63 percent), while 33 percent attribute fear to "second hand information"--TV, radio, newspapers. Whatever the origin of information about possible dangers, ordinary people are strongly influenced by ideologies.

The individual and family experience from the past and the present is a powerful factor influencing the level of catastrophism in the human mind. People tend to extrapolate their past and current experience to the future.

The past. Previous individual and family experiences significantly influence the spread of fear among some ethnic groups, particularly those persecuted in the past. The catastrophic mentality of contemporary Jews is based on the Holocaust and the harassment Jews received in many countries in the not too remote past. The same is true for Armenians. The role of the genocide of 1915 has direct relevance for millions of contemporary Armenians. The pessimism of Russians is also fueled by the tragic developments in their history.

At critical junctures of history such as the developments in 1989-1995, Russians, especially the nation's think tank the intelligentsia, resurrect images of the past. For instance, in the period mentioned above such seemingly remote events as the feudal strife in Russia and the "Time of Troubles" surfaced in the public's mind in connection with the possible disintegration of Russia. The Civil War period of
1918-20 became one of the most potent symbols evoked not only by the intelligentsia but also by the common people. The memory of famine in the early 30s as well as of mass repression in Stalin’s times is very much alive in the people’s "virtual" memory. It was never erased during the entire Soviet period of Russian history.

Russia’s tragic past certainly contributes to the pessimistic outlook of the population. It is therefore no surprise that fear of impending famine spread across Russia so quickly in 1992. Some considerations apply to the threat of massive purges. The fear of repression is most pronounced among the more educated people, but it has been resurrected in the mind of the general public as well.

The current experience. The negative current experience generates even more fears than the past one. The Russian case can serve as an illustration:

In 1985 the number of people who believed in impending catastrophe was insignificant. Even Russian intellectuals, including dissidents, who were very critical of the regime, were in bad, but not apocalyptic, moods in the 1970s and 1980s. They believed the existing state of life, regardless of how bad it was in their opinions, would survive for decades without any cataclysm.

The psychological situation changed immensely after 1989. The spread of fear of the future increased dramatically. When asked at the end of 1994, “Are hard times behind us or in the future?”, 9 percent of 3,000 respondents to the VTsIOM survey said “In the past”, and 52 percent said “In the future.” No less than 50-60 percent of Russian characterized their mood as tense. Among them 11 percent “Felt fear of future” and 40-50 percent also regarded the present situation as fraught with "Crisis and blast." No less than two-thirds of all Russians described the situation in 1992-1994 in their country as gloomy, with no brighter outlook possible for the future.

In our survey (1996) 57 percent of the respondents said that “they are not certain about their future.” At least one third of the population believed in an impending catastrophe of some sort: Technological, economic, ecological, political, social, or cultural. According to our survey, in the first half of 1996 “the possibility of a nuclear war” aroused “strong fear” among 29 percent of Russians and “permanent fear” among 10 percent. Terrorism aroused “strong fear” among 35 percent of Russians and “permanent fear” among 8 percent; civil and interethnic war caused “strong fear” among 35 percent and “permanent fear” among 5 percent; the seizure of power in the country by extremists and Mafia-- 36 percent “strong fear” and 8 percent “permanent fear”; dictatorship and mass repression--26 percent “strong fear” and 4 percent “permanent fear”; catastrophic harvest—38 percent “strong fear” and 7 percent “permanent fear”; natural disaster--29 percent “strong fear” and 6 percent “permanent fear.” It is remarkable that such an event as the possible “Death of the Earth” aroused some concern among 20 percent of Russians, “strong alarm” among 12 percent and “permanent fear” among 6 percent.

The main reason for this growth of catastrophism was the large number of negative developments that took place between 1989-1995. The collapse of the Soviet Union and the splitting of a single society into several independent states held nefarious consequences for millions of people, including ethnic conflicts and the drastic deterioration of economic life. In our survey we asked Russians “How long have you felt anxiety about the danger you consider the most significant for you?” Forty percent of respondents said “Last several years” and 26 percent said ”Since the beginning of the reforms in the country.”
Fears which spread in the United States during the Great Depression were also based on the dire facts of life, as is true in many countries with a declining standard of living. This is the case now in France, for instance, with its high unemployment level.

Second Hand Information and Ideology

While the sources of fear related to dangers such as mass unemployment, ethnic persecution, financial crisis or ecological disasters, can be comprehended on the basis of common sense, the origin of many fears such as war, foreign intervention, the seizure of power by Masons or the end of the Universe lies beyond individual and family experience. Here media and dominant ideologies are most responsible for the spread of various fears. Soviet ideology in Stalin’s time backed of course by the fear of political police, was quite successful in inculcating the fear of class enemies and the capitalist encirclement in the mind of Russians. At the same time, Soviet ideology, focusing on the optimistic vision of future, was able to maintain optimism among most Russians, particularly among young people, even in the darkest times of Soviet history. The lack of strong official ideology in post-Communist Russia is evidently one of the major causes of the spread of pessimism in the country and Russian disbelief in “the radiant future.”

Recipient Fear: A Stimulus for Action

Fear, justified or not, can lead to actions which are necessary to prevent impending disasters. In many cases, fear played a mobilizing role, stimulating people to action and permitting them to avert disaster.

Drastic reforms and revolutions often can be treated as a way to cope with incoming catastrophes. Authors of health reforms proposed in the United States in the 90s unswervingly referred to the catastrophic rise of health expenditures and the necessity to prevent the collapse of the health system. The fear of losing independence and being conquered by a cruel enemy was always a powerful factor in the victory over the adversary during World War II. Both Churchill and Stalin appealed to their people warning about the eventual catastrophe in the case of Hitler’s victory.

To take another example, the fear of mass hunger in Russia in 1992 was shared by half of the population. It forced Russians to immensely expand their private plots and provide themselves with agricultural products, a development which clearly prevented the catastrophic fear to materialize. The fear of a new Chernobyl stimulated many actions in the world to diminish the probability of such disasters in future.

Another “material” action which can only be done at the individual and group level, but not at societal, is to flee the area of the potential disaster. The entire refugee issue is nothing but people fleeing under the fear of disaster for themselves. The American flight to the suburbs is also a way of reacting to the fear of crime. Fear is one of the motivations for emigration in many countries, including the USA. The fear of crime is one of the most powerful factors determining a person’s choice city, neighborhood, and school for their children.
Other Decisions

The level of catastrophism in a society significantly affects the life of the nation, how it saves money confiscation or total depreciation, how it accumulates stocks of food in preparation for disaster, and so on. In the distant past many people made very important decisions being afraid of the coming end of the world. A good example can be borrowed from the Middle Ages. With Milleniarist ideas in their mind (terror of the year 1000), people in Western Europe waited for the end of the world in 1000. Russians did the same but expected this event in 1492, according the Julian calendar. Many rich people handed their land and other wealth to the church with the hope of obtaining salvation in another world.

The Passivity before Fears

Fear pushes people to action in many cases, particularly if it concerns individual interests. People stay passive, however, the threat is to society and not to the individual or his family. Our survey showed that about two thirds of respondents with various fears in 1994-1996 did not see any reason or possibility to do something to avert dangers to society. While about three quarters of Russians declared their willingness to do something to protect their family against the threat of pollution, only one third even verbally promised to do something to avert the some danger for the whole country.

The Direct Cost of Fears: For their Carriers

Fear benefits individuals and society but is accompanied by significant costs for those who gain from it. Using another approach, we can look at fear as a very powerful medicine which has very dangerous "side effects."
First of all, fear can lead not so much to the deflecting of disaster and catastrophe but rather to its materialization. In other words, fear can produce exactly those events which people were afraid of, the so-called self-fulfillment prophecy. Fear of criminals often provokes people to perform criminal acts, while the fear of war can trigger "hot war," a circumstance which was very important during the Cold War in 1948-1989.
Second, fear can be utterly false and propel people, groups and society to undertake unnecessary and often harmful actions, wasting human and material resources. For this reason, alarmists and doom sayers are considered dangerous people in many societies, even if it is almost always difficult to make the distinction between correct and incorrect signals about disasters in the offing.
The case of the Cold War is a good example. The fear of nuclear annihilation and Soviet aggression was quite strong in the West, even after Stalin's death. The West built up a tremendous military machine to counteract the Soviet might. This withdrew enormous resources from the civil economy. In 1991 the Soviet Union collapsed suddenly, leading to the ultimate end of the cold war and the significant demilitarization of the Western economy.
In the aftermath of the cold war many Western authors pointed to the correctness of their critique of Western foreign policy and military expenditures as based on false
fears and suggested that the Soviet threat never existed. Even Western experts who previously described the Soviet Union as "the evil empire" after 1989, and particularly after 1991, depicted the Soviet Union as "a house of cards," as an extremely weak state. A number of other authors vehemently rejected this view and contended that the Soviet threat to the West before Gorbachev's perestroika was quite serious. They pointed out, for instance, to the growing tensions in 1981-1984 around the Soviet and American middle range nuclear missiles in Europe. The question about the rationale of catastrophism during the cold war is far from being clear, and it only underscores the complexity of the issue about the role of catastrophic thinking in history. Third, fear, correct or wrong, diminishes the quality of life of the individual and society, the greater are the scope and intensity of fears the worse is the life of individual or society. Making a paraphrase of Heinrich Heine, a German poet in 19th century, famous dictum, "even imaginary fears are fears".

Fear only with its existence deteriorate the quality of human life. The quality of life in Israel even in the time of perfect peace yields to the life of people in other countries with the same indicators of material well being simply because the fears of possible wars with its Arab neighbors. The degree of the fear of unemployment, to be the victims of criminals and the arbitrariness of bureaucracy is factor which immensely influences the quality of life in each nation.

The Indirect Cost of Fears

Fears not only quite costly for their carriers but they negatively affect other social actors and society on the whole.

The growth of fears and catastrophism helps to increase political extremism and violence in society but also stimulates irresponsible actions of people at all levels of society. The high level of catastrophism also is accompanies with the rise of ethnic hatred and xenophobia, general demoralization, the development of wild, asocial individualism and mysticism, the rise of the number of apocalyptic sects in society. The installation of dictatorship almost always preceded the spread of catastrophism, somewhat justified, somewhat exaggerated, in the public mind. Hitler's victory in 1933 was possible not only because of the bad economic conditions in Germany, but also because the Nazis were able to foment the feelings of catastrophism in the country. The same was true about the Bolsheviks in 1917 who also used the fear of catastrophe as a main element of their ideology. One of the most known Lenin's article on the eve of the October coup was "The imminent catastrophe and how to fight it".

In economic life the fear of various negative developments like high inflation and economic depressions without speaking about the destructive political events as eventual international conflicts or political turmoil in a country affect enormously the consumer and investment behavior.
The Ways to Cope Psychologically with Fears

In view of high cost of fears the individual and societies operate with the mechanisms which are to remove or alleviate fears in the individual and public mind.

People try to adjust psychologically to the developments which are fraught with the disaster “normalizing” them in their individual and public mind. In 1995-1996 we observed this process in Russia. While Russian economy continued in this period to go down and the standard of living was deterioration for the majority of the population only twenty-three percent of them were think by the end of 1995 that their economy is “in crisis, a significant decline in comparison with the previous years.”

Psychological adaptation at micro and macro levels. It is remarkable that in some cases people much easier “normalized” their own life and their own future that those of society on the whole, and in some cases just the opposite. Each individual makes a distinction between the future for himself or herself and the future of his group and society. So, in Stalin’s time people could combine high optimism about the future of the nation with pessimistic feelings about their personal future.

In post-Communist Russia another combination is typical: moderate optimism about their own fate with quite pessimistic outlook on the future of the nation. Such a combination of the attitudes toward "my present life and my future" and "the present life and the future of others" is a direct result of the mechanism of adaptation which worked mostly at the individual level (but to some degree at the social one too). This explains why people after 1991 tended to accommodate their new life not only in the material but also in the psychological sphere.

As the data of VTsIOM demonstrated, while 46 percent of the Russians assessed their life now as "average" or better, only 29 percent ascribe the same estimate to the life in their city (or village). Moreover, only 12 percent think in the same terms about the life in the country.

Escapism. Another way to countervail the fears is escapism, the ignoring threats and pretend that it does not exist against available information.

With all their anxiety many European Jews ignored direct signals about the danger of their extermination by Nazis. Many thousands Jews decided to stay in Germany even after the Kristall Nacht in 1938, a development well documented now in literature. A big number of Soviet Jews in many Ukrainian and Byelorussian cities and villages did not leave their homes when German troops invaded Soviet territory even it happened already in 1941 when the rumors about Nazi atrocities were well spread. At the same time, many Germans did not believe in the coming end of Hitler's empire. Only a few months before the collapse of Nazi Germany they still strongly believed in the existence of some "secret weapon" which will bring them ultimate victory.

Many Ukrainian and Byelorussian peasants did not leave the territory contaminated by radioactivity after the Chernobyl catastrophe, and ignored information about the consequences of their decisions. They are not unique in this world where many people do not leave the dangerous places, for instance surrounding volcanoes about to erupt or territories or the area badly polluted or prone to earthquake.
I will discuss relatively at length the role of concrete fears in Russia and America but it the fears play extremely high role in the life of many if not all countries in the world.
Fear of the future as a weapon has been used recently in the politics of such countries as Ukraine, Argentina, and Mexico.

The Factors Determining the Level of Catastrophism

Now let move to the discussion about the factors which explain the variance of catastrophism in the mentality people who are exposed to the same potential dangers.

The influence of various factors on the intensity of fears and of catastrophism directly depends on the cognitive basis of fears. It evidently that as a rule the fears of the individual as well as of social institutions and organizations are nourished by some information (knowledge), which is at the disposal of the bearer of fears. As it was mentioned before, the individual taps the information of possible dangers from his own (and his family) experience— the first hand information—and from the information produced by other—the second hand information.

But as soon as we include the concept of information in the analysis we immediately enter the most risky area in modern social science— the question of its “objectivity”. As it was told before, assuming the position of “moderate social constructivism” and rejecting social relativism I consider “objective reality” as an important point of reference in the evaluation the ground of fears. I assume that theoretically the information about the impending disaster has different level of veracity and it ranges from being very predictive and well founded to being utterly absurd. Here we operate the concept of information, as perfect or imperfect, correct or wrong, as do those who use the ideas of rationality in modern social science— the rational choice theory, game theory and the theory of rational expectations their analysis. Therefore, with some reservations we speak about “rational fears” based on “serious” information and “irrational” fears based on ludicrous information.

As an example of “rational fears” of the masses often are can be based on all sources of information available to the individual which were discussed above. It is possible to cite as the fears of catastrophic accidents at nuclear power stations which are well founded having in mind Chernobyl’s disaster. As “rational fears” we can cite also the fears about the dissemination nuclear weapon in the world, about the expansion of the world terrorism and several other developments which really give food for alarmist reflections. The outbreak of the First World War, which happened so suddenly in 1914, had a tremendous influence on the moods of Europeans and made their predictions about the next World War quite reasonable.

The fear of the catastrophic intervention of the KGB in human life was greater among Russians who lived in Stalin’s times than among people born after 1953. The same can be said about people who have behind them the experience of earthquakes and other natural disasters.
The Evidently Irrational Fears

At the same time, there are several indications which suggest that fears have often "irrational character". Those who insist on the prevalence of irrationality in the formation of fears can refer to the number of prominent scholars in the past who were inclined to perceive ordinary people as behaving mostly irrationally. Among them were such classic authors as Max Weber, (despite his attention to the role of "rationality" in human society), as well as Vilfredo Pareto, Karl Mannheim and Sigmund Freud. The classic theorists of crowd behavior such as Gabriel Tarde and Gustav Le Bon also belong in this group. The seminal article of Dennis Wrong (1961) places him in this list of authors who, along with Kingsley Davis and Jurgen Habermas, saw a great deal of irrationality in social life.

The high role of irrationality in human behavior, of emotional factors (contrary to cognitive) is recognized explicitly or implicitly, to a greater or lesser degree, by several scholars who studied collective behavior and social movements in the 1970s and 1980s, even though disagreements did exist among them.

One of the major sources of irrational fears are the interests of ideologues and politicians who intentionally (being aware or not of the false character of their alarmism) and quite rationally disseminate unfounded fears in order to achieve their goals.

There are many evidences of the wide spread of irrational fears. One of them are the examples of mass hysteria and collective delusions. History count a lot of examples of such sort. The developments around the radio broadcast “The War of the worlds” in 1938.

Another argument is the wide spread of conspiracy theories. According our survey “Zionism and Jewish conspiracies” produced “some concerns” among 18 percent of Russians, “strong fear”—5 percent and less than one percent “ permanent fear”, for “Masons and their attempts to seize the control over the world” aroused “ the adequate figures were 15, 8 and 2.

Along with the conspiracy theory there are a number of other evidently non founded concepts which underpin numerous catastrophic predictions-- fatalist theories; mystic theories; pseudo Marxist (the interests of social groups and classes) theories; criminal theories. The relative weight of these theories in their impact on the masses varies enormously from group to group and from a country to another.

The conspiracy theories are widely spreading contemporary Russia. Such a quite influential nationalist weakly as Zavtra (tomorrow) in 1991-1996 systematically published articles devoted to various conspiracy theories among which those which describes the Western and Zionist plans to destroy Russia, its economy, culture, ethnicity, population, play dominant role.

The elements of absurd catastrophism have been always present in America. Richard Hofstadter spoke "about the paranoid style in American politics". The tendency to view the world, as a contemporary American journalist states, “in terms of dense conspiracies that in various eras have centered on groups as diverse as Communists, Masons, Catholics, Jews, international bankers, Mormons, foreign gold traders, and Bavarian illuminati.”
The Factors Determining the Intensity of Fears

The variance in the intensity and the repertoire of fears as among countries as well as within them is enormous as the variance of any other social characteristic (the standard of living, criminality, the level of political freedoms and so on). So far, we know not too much about the role of various independent variables able to affect the fears of people. At the societal levels as was mentioned these ethnic groups and nations with high historical record of catastrophes are much more sensible to eventual dangers to their existence.

Within the country it is supposed that age and education affect the intensity of fears is growing however in some cultural context. Indeed, according our survey, among Russians the most struck by various fears were the youngest and the oldest people. Let us take us an indicator the number of people who told that there are in "permanent" fears about various threats ("index of catastrophism") . It turned out that among people 60 years and older there were about 10 percent and among people younger than 20--7 percent. However, among people in middle age--30-39 only 3 percent. If we take into account also the fears which arouse "some concern" and the fears which arouse "strong anxiety" ("index of general anxiety") we will find out that among the oldest respondents the number of people feeling fears of different intensity will be 68 percent, the youngest 72 percent and among middle age people--63 percent. The fears evidently diminish with the rise of education--for the people with the highest education the indicator of catastrophism was 4 percent, and for people with the lowest education--9 percent while the index of general anxiety was almost the same--63 and 62. There is no doubt that in other historical and social context the impact of both variables--age and education--can be very different.

One of the significant factors influencing the intensity of fears are the availability of means to avoid the dangerous zone.
In general, many data support the idea that the higher are material means of the individual, the stronger is his or her inclination to believe in the likelihood of catastrophe.

The indications are numerous. Rich Jews were more inclined to believe in the imminent genocide in Nazi Germany than poor Jews. The same was true about Soviet Jews during the first months of the German invasion of the Soviet Union: wealthy and influential Jews believed in the coming danger, while the rest of the Jewish population was prone to suggest that the Germans "as a civilized nation" will not do harm to peaceful people.
The case of Chernobyl shows the same pattern of behavior. Poor people ignored the horrors of radiation and stayed in the contaminated areas and even insisted that everything was all right. People with a higher social status had a realistic image about the consequences of staying in these areas and fled them almost immediately.
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