
Civil Society, Trade Unions, and the Political Economy of Postcommunist Transformation

THE COLLAPSE OF COMMUNISM was marked in many ways, not the least of which was its ironic character. A system of rule ostensibly built on the Great Truth of Marxist-Leninist doctrine was openly exposed as politically and morally wanting. Nationalism, far from withering away as communists supposed, returned with a vengeance, helping to bring down communist states and emerging as a potent force in the postcommunist era. The progressive ideology of socialism also proved incapable of competing against its historically retrograde rival, and the socialist experiment is now derided as a long and painful detour from capitalism to capitalism.

The most poignant touch of irony, perhaps, was that workers living in communist “workers’ paradises” organized themselves outside the confines of the party-state and played a prominent role in bringing about an end to communism. The workers’ role was most obvious in Poland, but independent trade unions were players in the burgeoning, anticommunist civil society in all countries in the region. Workers allied themselves with political movements demanding change, and their activities had a great deal of political

importance, revealing how the authorities had lost legitimacy even in the eyes of the one class in whose interest they purported to rule. For all the focus on the role of dissident intellectuals in the fall of communism, it was only when workers mobilized that all the contradictions and shortcomings of communism were fully exposed. Unable to address these issues and satisfy the demands from below, the regimes collapsed.

In most academic parlance, of course, the defeat of communism was not hailed as a triumph of the workers, but as a victory for “civil society,” a term that has become a mantra for activists and academics alike.¹ Beyond this label, however, in the class and organizational structure of civil society, workers played a prominent, if not leading, role in many anticommunist movements. Workers, of course, made up the majority of the adult population in all Eastern European communist countries, and workers’ associations, meaning both the communist-dominated and newer, “independent” trade unions, were by far the largest groups in civil society. Both of these groups survived the collapse of the party-state, and thus workers, it seemed, would have an immense organizational advantage over other groups in the fledgling civil societies in the region. Moreover, organized labor had a lot of economic muscle as well, and thus it seemed likely that organized labor would play a central role in both the political and economic transformation of formerly communist countries. Indeed, Adam Przeworski, theorizing about how governments could and should proceed with reforms in the immediate postcommunist period, put labor unions center stage, arguing that governments would have to either win their support or completely subdue them to push through marketizing reforms.²

Rosy (and alarmist) assessments of union power, however, turned out to be exaggerated, and in general unions have been paper tigers, lacking real claws and easily tamed by postcommunist governments.³ Indeed, the postcommunist period has been remarkable for the lack of organized workers’ activity, despite the fact that all states have witnessed a precipitous economic decline, real wages for workers have shrunk (and in many cases are not paid on time), and the communist-era social safety net has vanished. In states such as Russia and Ukraine, privatization has turned into a *prikhvatizatsiia* (grabbing) in which management has gobbled up state assets and left the workers with crumbs. A former Russian finance minister summed up the situation nicely: “You are witnessing the greatest plundering of the century, and perhaps in all human history; protests are not heard. People bow their heads and com-

plain, as though things could not get worse; as if everything is as it should be.”⁴ This is not exclusively a post-Soviet phenomenon, or a result of a political victory by a rapacious new *nomenklatura*/oligarchy. As then–finance minister of Poland Leszek Balcerowicz confessed, Solidarity the union was run roughshod by Solidarity the government while “shock therapy” was pushed through as a means to strip workers of their power to distort markets and to empower employers against them.⁵ Elsewhere, unions in the Czech Republic stood by while Vaclav Klaus promoted a Central European version of Thatcherism, Hungarian unions are still fractured and weak, and Bulgaria’s once-influential *Podkrepa* union has been hamstrung trying to find a balance between competing claims of workers’ rights and the economic reforms mandated by the IMF.

Throughout the region, unions have been unable to coalesce either as a political or an economic force. They have failed to obtain an effective voice in developing and shaping economic reforms, and they have been unable to use their muscle to push for the social-democratic, corporatist institutions and policies that they generally favor. If democratization and economic liberalization were expected to produce winners and losers, organized labor certainly would rank among the losers. For many, the victories of 1989–1991 have turned out to be hollow. Ironically, despite working in a democratic system, labor cannot find its voice and force politicians to take notice of its demands. David Ost and Stephen Crowley, the editors of the most comprehensive study of unions across the region, conclude that “Far from being recognized as guarantors of broad citizenship . . . they [trade unions] are more usually seen as relics of an obsolete past not really relevant for a capitalist future.”⁶

Postcommunist trade unions are indeed, in Sherlock Holmes’s phrase, “dogs that don’t bark.” The point, of course, is that by many measures they *should*, and thus labor quiescence is a mystery to be solved. This work will document labor’s general weakness and offer explanations as to why this is the case. However, it is also important to consider whether this is a passing phase or something more permanent, and if the latter what the consequences will be in terms of democratic consolidation and economic performance. Many union leaders and some academic observers tend to assume that unions are “Sleeping Beauties,” victimized by a temporary spell but able to reawake and rise to prominence again. At the same time, however, the basic political and economic playing field has been reshaped, and unions have had little role in writing the rules for the new game. In particular, property has been

redistributed, new systems of industrial relations have been established, and the region's economies are being integrated into the global market. All of these changes could seriously compromise organized labor's ability to act as a powerful force, and thus whether and under what condition it will reemerge are interesting questions, both from the standpoint of "transitions theory," and concrete assessments and projections about individual cases. These questions address the relative effects of old legacies and the new environment, ask how reforms shape the arena for social actors, and compel us to examine whose benefit various reforms have actually served.

This work therefore fits into the burgeoning literature on democratic transitions, civil society, and reforms in postcommunist countries, but it is distinctive on several grounds. First, it is less a celebration of democratic reform and a triumphant civil society than an effort to show how and why key actors in society can be harmed by processes of transition and become excluded from shaping a new political order. Moreover, it does not exclusively take actors in civil society as the primary "independent variable," the one that produces effects on political institutions and policies. Rather, it argues that labor has been unable to act in this manner and instead has been decisively affected by actions and actors from above. In other words, the causal arrow has been reversed; instead of looking at how social actors affect reforms, this work is more concerned with how reforms affect social actors, especially which actors become privileged and which actors lose status and power. The end result is more a focus on the political economy of reform—the interaction between market, state, and social actors in the reform process—than on civil society as a force pushing for change or deeply involved in processes of democratic consolidation. Of course, to the extent that key social actors are excluded or politically marginalized, I will assess what effect this has had on the transition and prospects for the consolidation of a new political and economic order.

Additionally, this study's focus is on organized labor, the largest group in postcommunist civil societies but nonetheless rarely the subject of concentrated attention. This is unfortunate, because economic interest associations, of which organized labor is one of the most important, should be crucial players in both political and economic transformations. As Philippe Schmitter observes, in a modification of sorts to the classic transitions literature, democracy is more than about holding elections, and the most important political actors may in fact not be political parties, especially—he claims—in states

making the first steps to democracy. Instead, he argues that democratic consolidation heavily depends upon the role of interest associations, which aggregate and articulate interests. The development of interest associations and their relations with the state constitute a crucial “partial regime” within the broader context of democratization that decisively affects the quality of democracy and the ability of the state to provide tangible material benefits to its citizens.⁷ Nancy Bermeo echoes this notion, basing her claims upon several historical studies of civil society’s role in democratization. She notes that a sense of “connectedness” between civil society and parliaments is crucial, since these ties link the populace to the government and give legitimacy to state policies.⁸

Weak interest associations, however, may facilitate the aggrandizement of state power and authoritarian tendencies. David Ost, in an early examination of interest group activity in postcommunist states, maintains that a “gaping hole” exists where economic interest associations should be organized, the result of which is state domination over society.⁹ Society-centered models of politics, which would have been the most logical expectation, now, he claims, are particularly “inappropriate,” as the state has gained a strong degree of autonomy from society and pressure “from below” is either muted or ineffectual. If, as Ost suggests, what we see is a state that is still strong and a civil society that has little influence in political life, then the question might be how far the democratic transition has gone or is likely to go in states across the region. Put another way, the formal institutions of democracy may be in place, but the processes that are associated with democracy, such as public input, openness, feeling of political efficacy, and government accountability, may be lacking. For example, Richard Rose, in New Europe Barometer surveys (1998–2000) conducted in sixteen postcommunist countries, finds that 46 percent of people report no difference in their feelings of political influence, and 23 percent believe that they have less influence today than under communist regimes.¹⁰ This lack of political efficacy should be disturbing for those who believe that notions of citizenship have a prime place in any discussion of democratization.

This work will look in detail at the plight of trade unions in four countries: Poland, Russia, Hungary, and Ukraine. The choice of these four cases is based on the fact that they provide variance on both independent and dependent variables (market reforms and labor weakness, respectively), as outlined in table 1.1. There are variations in speed and the scope of reforms in all

four countries. Poland and Hungary are clearly reform leaders, although the former implemented “shock therapy” and the latter chose a more gradual approach to reform. Russia has implemented more reforms than Ukraine and by the end of the 1990s had a large marketized sector, but Russia and Ukraine clearly lagged and still lag behind states in East-Central Europe. Additionally, labor activism is a *relative* term (meaning strength of labor compared among these four countries), and here I am primarily taking into account the position of labor at the beginning of the postcommunist transformation. Obviously, Poland witnessed a large amount of labor activism, particularly under the last years of communism, and its labor organizations have been more active and do appear to be stronger than those in Hungary or, for that matter, in any other postcommunist country.¹¹ This does not mean that in any absolute sense that Polish, much less Russian, trade unions are strong, but only that for the most part they have been better organized and played a larger role in political and economic life than Hungarian or Ukrainian unions. The goal of this study, however, by comparing cases having different stimuli (market reforms) and some variance on outcomes, is to assess the impact of postcommunist change on trade unions. In addition, within each country study there will be some focus on branch and enterprise variation, and similarities of these dimensions are tracked across countries.

These mini–case studies nested in the country studies will be important to understand the relationship between structural economic change, including marketization, privatization, and globalization, and the development of actors in civil society, particularly trade unions. Several authors, writing about the experience of organized labor in the West, have noted that these trends have often had negative effects on unions and the corporatist institutions that give an institutionalized role to unions in making government policies.¹² Together, they largely define the new political economy of advanced industrialized states. To the extent that politicians and union leaders in postcommu-

<i>Economic Reforms</i>	<i>More Active Labor Movements</i>	<i>Less Active Labor Movements</i>
Sustained Market Reforms	Poland	Hungary
Sporadic or Minimal Market Reform	Russia	Ukraine

nist countries would like to see their countries look like social-democratic Germany or Austria, how ironic it is that the social-democratic corporatist features of these states that helped empower labor are now under assault from market forces. As the East begins to look more like the West, the plight of organized labor may become worse, not better.

This is not to say that globalization or free markets are wholly bad, that all was better under communism, or that postcommunist states are all merely “bourgeoise” democracies that completely disenfranchise the working class. Certainly, most people, including workers, at least in East-Central Europe, believe their lives are getting better, and they have faith in most principles of democracy and the market.¹³ However, as mentioned, both democratization and marketization can produce losers, groups that, for a variety of reasons, lack the political and economic resources to have their voices heard and demands taken into account. And since they lack a voice because trade unions have been emasculated, people are still angry. Indeed, Crowley and Ost assert that labor weakness in the initial stages of democratization may have “profound political implications” because it means that the frustrations traditionally channeled by unions into class-based claims end up being expressed in “nationalist, fundamentalist, and other illiberal directions.”¹⁴ This is most clear in the case of Russia, given the past appeal of Zhirinovsky and the more current support given to Putin and his “dictatorship of law,” but there is also evidence for this throughout postcommunist Europe, including Poland, Romania, Slovakia, and the former Yugoslavia. Although it is difficult to produce a direct cause-and-effect relationship, there is perhaps a link between labor weakness and illiberal politics that threatens democratic consolidation.

Labor weakness is not the only way in which democracy is under assault in postcommunist states. Globalization also needs to be examined with a skeptical eye. It can be a menace to democracy because governments (and, by extension, citizens) lose sovereignty and now must consider international political and economic influences that may run counter to the interests and concerns of their domestic constituencies. Bormeo notes that globalization now means that there is “severe crowding on the captain’s bridge [of the state],” since “powerful international actors were invited to take a role in decision making just as hordes of citizens expected a meaningful role in shaping the direction of their new democracy after years of authoritarian exclusion.”¹⁵ There is evidence of this foreign influence at the national level in postcommunist Europe in cases where IMF directives either determine policy for the state (arguably

this has occurred in Russia) or so tie the hands of state leaders that there is little option but to pursue austerity measures, despite promising to do something different (as in Hungary and Poland). These actions do compromise democracy insofar as governments are expected to reflect the will of the people and elections are supposed to offer voters a real choice. If elections do not matter, then a basic component of democracy is lost. This study attempts to look at these problems at the macro level of various political actors, as well as the more subtle influence of global and market forces that specifically affect trade unions at the national and enterprise levels. Economic forces are undermining organized labor's capacity to act as a unified political and economic force. I will examine several environments to determine the validity of this claim, as well as spell out what the real consequences are of organized labor's weakness.

It may first be useful to provide more context as to how organized labor fits—or does not fit—into existing theories and paradigms of civil society, democratization, and transitology.

Fitting Unions in the Civil Society Literature

One of the foremost themes surrounding democratization in postcommunist countries is civil society. This term—which initially emerged in some of the dissident literature as a normative idea, the antithesis of communism, a “parallel polis” where people could live “as if they were free,” in Vaclav Havel's words—is now ubiquitous in the study of democratization. For many, civil society has become the *sine qua non* of democracy.¹⁶ Thomas Carothers notes, “Civil society is the connective tissue that transitional countries need to join the forms of democracy with their intended substance, to ensure that new democratic institutions and processes do not remain hollow boxes and empty rituals.”¹⁷ Evidence from postcommunist Europe, at first glance, appears to bear these claims out. Where civil society has stronger roots—as in countries like Poland, the former Czechoslovakia, Hungary—democratization has been largely successful and can now be said to be consolidated as evidenced by their accession to the European Union in 2004. In other cases—such as the Balkan states, Russia, Ukraine, Belarus, and Central Asian countries—the relative weakness of civil society is invoked to explain the lingering, or in some cases growing, authoritarianism in the state, even when

the basics of “electoral democracy” may have been established.¹⁸ For many, this correlation is sufficient proof of the power of civil society.

The argument linking civil society to democracy is longstanding in democratic theory and is most frequently attributed to Alexis de Tocqueville, who is also experiencing a bit of a renaissance.¹⁹ For Tocqueville, the “art of association” was the “mother of all science,” which is generally interpreted to mean that free associations of citizens—in other words, civil society—is necessary to mitigate antidemocratic forces of individualism and allow citizens to check the power of the state. In his view, these associations would also function as “schools of democracy” by instilling democratic values in citizens.²⁰ Dissidents in Eastern Europe picked up this language, and the notion that civil society provides both a structural and cultural support to democracy accounts for why it is lauded in the democratization literature today.

Despite its popularity (or, perhaps, because of it), there are several debates surrounding the concept of civil society. One question revolves around the definition of the term. Most definitions share a common base: civil society is a network of citizens and organizations, largely autonomous from the state, that articulate values, act collectively to accomplish their goals, and are capable of checking state power. It tends to be defined broadly, as a space between the individual and the state, resting upon *civic* bonds rather than those of family. Implicitly, an individual joins civil society as a matter of choice; it is not purely ascriptive. However, many fault this notion as being too broad, since it can include anything from chess clubs, student groups, environmental societies, women’s leagues, trade unions, business lobbies, and political parties. Many distinguish between civil society and political society, the latter including those explicitly political groups such as parties or lobbying organizations that are directly involved in politics and policy formulation.²¹

Another problem considers the link between civil society and democracy. For many, this link is not a given. Carothers notes that there is a certain “romanticization of civil society” by many in the West, insofar as it is viewed simply as “town hall politics writ large” and composed of “legions of well-mannered activists who play by the rules, settle conflicts peacefully, and do not break any windows.”²² In part, this is attributable to a mythologized Tocquevillian conception of American civil society, but also a reflection of the fact that the visible face of civil society in Eastern Europe—in the leaders of Solidarity, Civic Forum, Sajudis, and other liberally oriented, anticommunist groups—was democratic. These examples, however, miss the point that in

certain cases—in which political participation precedes political institutionalization, to use Samuel Huntington’s terminology—a vibrant civil society can undermine democracy. The classic case is Weimar Germany, and in comparing Weimar to present-day Russia one set of scholars notes that democracy in Russia survives in part because civil society is so weak.²³ Others might note that groups in civil society need not be “civil” and can include radical nationalists, fascists, communists, or others who do “break windows” or do not wholly embrace democratic or liberal values.²⁴ The *quality*, not *quantity*, of civil society therefore is central to any debate. This problem has led some to define civil society in such a way that it must be open, inclusive, tolerant, and moderate.²⁵ These amendments, I would argue, go too far, and by so limiting the definition of civil society, the alleged links between civic involvement and democracy cannot be investigated.

Another problem, one perhaps less immediately obvious, revolves around the arguments of James Madison that creep into the civil society literature. Madison famously maintains in “Federalist X” that pluralism is beneficial because it mitigates the pernicious effects of factions, since a multiplicity of groups prevent any one faction from becoming a majority and create (in modern political science lexicon) “cross-cutting cleavages.”²⁶ In addition, it can be argued that by belonging to many groups, a citizen’s interests diversify and become more tolerant of outside views. Competition among several groups—with no single group constituting a majority—safeguards democracy and the rights of minorities. This pluralist assumption is implicit in the civil society literature, as the focus is on the benefits of general popular activism and organization and not on the democratic credentials (or lack thereof) of any particular group. Put another way, much of the literature on civil society tends to make it an abstract notion and assume that its activities, *en toto* at least, are directed to the common good. Rarely is there concerted attention given to the different components that comprise it, or the various and often antagonistic interests that they espouse.

This digression into debates surrounding civil society is important, because after moving beyond the abstract idea of civil society and discussing trade unions themselves, it becomes apparent they do not fit neatly into many of the claims made about civil society. This is not to say, of course, that trade unions are not part of civil society. Almost all observers would agree that unions form a large and important element of almost any state’s civil society. Of course, it is possible that unions can often play an explicit political role,

and thereby they should also be understood as part of “political society.” In postcommunist Europe, trade unions lobby parliaments and executives, make alliances with political parties, and in many cases run candidates for office, occasionally as a separate political party. This dual nature is most obvious in the case of Solidarity, but this is also the case among unions in Russia, Ukraine, and Hungary. In part, whether unions are placed in “civil” or “political” society may be a matter of semantics, but I contend that this consideration leads to another, more important conclusion. Unions (and for that matter many other groups) are not entirely “civic” if, as is often the case, “civic” is taken to mean “civic-minded” or seeking to benefit the polity or the citizenry *as a whole*. Civil society in its totality *may* generate these outcomes (deriving from Madison or from Mill’s notion that competition among ideas will allow better ones to prevail), but its individual parts are oriented toward their own interests, and it is this notion of “interest” that is lacking or is downplayed in much of the discussion surrounding civil society.²⁷

Unions are not universal organizations; they are particularistic. They must, first and foremost, serve the interests of their members, which may or may not coincide with the greater good.²⁸ Moreover, it should also be noted that not all unions, even unions in the same country, have similar interests. These differences may be especially marked during a transition to democracy or a launch of market reforms, or both, during which time pluralism is allowed and the worker’s prospects as a winner or loser in market condition may be conditioned by industry, region, age, or skill level.²⁹ In most postcommunist countries, there has been a splintering of the labor movement, with some unions (usually the communist successor unions) taking a more skeptical view of free market reforms and newer, independent unions embracing some aspects of change and aligning with more liberal political parties. Thus, treating unions as an undifferentiated whole would be as mistaken as analyzing civil society without paying attention to the particular features of its major components.

This discussion provides a segue into another issue: the relationship between trade unions and democracy. Although unions have, of late, fallen into disrepute (especially in the United States and the United Kingdom) and are commonly criticized for running themselves in an undemocratic manner, most analysts, taking a longer view, would suggest a positive correlation between working-class mobilization and democratization.³⁰ Workers, being the plurality, if not the majority, in most countries, see democracy as a means of

empowering themselves, and working-class organizations and parties have pushed for democratization in many countries and have been willing to play by democratic rules once democracy has been established. Of course, there are exceptions. The Bolshevik Party would certainly rank as one (*if* considered a movement of the working class), but today's organizations include the Mussolini-inspired Confederation of Free Trade Unions in Russia, orthodox communist movements like Working Russia, and stodgy, bureaucratic behemoths like the Federation of Ukrainian Trade Unions, all of whose commitment to democracy can be questioned. While in some cases (Russia and Ukraine most notably) unions' democratic credentials may be dubious, most unions in the region espouse democracy in rhetoric and play by the rules of the game.

However, as the comment above from Balcerowicz suggests, unions are still viewed with suspicion by politicians, insofar as unions might, albeit democratically, undermine market reform. The contrast is all too evident. Civil society as a whole, with all its normative assumptions included, is lauded. Unions are, to put it mildly, another matter—groups that need to be beaten or subdued if democratic consolidation and marketization are to have a chance.³¹ Of course, this discussion points to a central tension between democracy and the market, one that can be overblown (e.g., several countries have weathered the storm of the “dual transition”), but one that nonetheless merits attention, especially considering (as this study will) how markets affect democracy, not only the dangers of democracy (and trade unions) to the market.

Unions are not the only groups in civil society that may undermine democracy and marketization. Even the once sacrosanct Catholic Church in Poland has been derided as a potential threat to consolidating democracy there.

The point, however, is that civil society must be distinguished from the parts that compose it. Moreover, I suggest that the parts are more important (and more interesting) than the whole. Using civil society in a normative or Madisonian sense may obscure more than it reveals and arguably may be a chimera. It is necessary to take a closer look at “civil society” as it is, which means looking underneath labels and moral claims and examining the workings and *interests* of its parts. These parts will differ markedly from each other, and unions are but one element, and not even a homogeneous one at that. However, they do purport to represent the largest number of citizens, but

they can get lost in the shuffle if the focus is only on “civil society.” Given the demands of democracy and the market, the tension between them, and the saliency of making the dual transition to both, I submit that political economy—by which I mean the interplay of the state, the market, the groups with particular interests—needs to be brought to the forefront when examining postcommunist politics. This study aims to do just that and thus move beyond general discussions of civil society.

Searching for Trade Unions in Transitology

Many of the arguments made in the previous section are even more appropriate as a critique of the transitology literature, which subsumes some of the arguments made in the civil society literature and has become a veritable paradigm in the study of postcommunist political change as well as democratization more generally. The genesis for much of this literature was the multivolume *Transitions from Authoritarian Rule*, which attempted to improve upon theories of democratic “prerequisites” and offer a model of democratization based upon strategic choices made by human agency.³² This work spawned numerous other volumes stressing how democracy could be “crafted” or designed by elites, and much attention in this genre is given to institutional design and the bargains that make democracy possible.³³

The bases of transitology are rather well known. In brief, liberalization is precipitated by splits within the elite of the authoritarian regime. These fissures are caused by socioeconomic crises, demands for change from below, and external pressure or events. In other words, the *status quo* becomes untenable, and liberalization becomes an option for elites hoping to defuse popular opposition, bolster the position of reformers within the elite, or provide legitimacy for new policy initiatives. Reformers within the regime then try to court moderates within society, and this coalition must fend off assaults from hard-liners in the regimes and radical groups in society. Liberalization, however, is rarely sufficient, and thus democracy emerges as an option. However, it must be made palatable to elements from the old guard, so a “pacted” transition based upon bargains between reformers and moderates is the preferred course to ensure a peaceful transition and one more likely to be consolidated. These pacts often encompass such items as immunity for

the old elite, guaranteed seats in parliament for certain groups, preservation of special prerogatives for the military, and protection of private property for the bourgeoisie.

This model, based primarily on the experience of Southern Europe and Latin America, became the standard by which most transitions, including postcommunist ones, were evaluated. In part, this is understandable. Previous ways of understanding communist systems were tossed aside when the regimes collapsed in 1989–1991, and scholars looking to make sense of these events latched on to this ready-made, apparently exportable model. There are also, *prima facie*, enough similarities between the earlier transitions and postcommunist cases to make comparisons. Gorbachev's Soviet Union, for example, seems to fit the description of a system in crisis that opted for liberalization. The same could be said for Poland and Hungary in the 1980s. The differences among the regions and countries were downplayed, as Schmitter maintains that the postcommunist cases could be treated “conceptually and theoretically equivalent to those that preceded them.”³⁴ Moreover, by using these models, postcommunist studies find a means to reintegrate into comparative politics more generally, which was often assumed to be clearly desirable.

While many embraced this new approach (and the influx of Latin Americanists suddenly writing on postcommunist transitions), others were far more skeptical. Ken Jowitt observes a “fetishlike repetition of the phrase ‘transition to democracy,’ as if saying it often enough, and inviting enough Latin American scholars from the United States to enough conferences in Eastern Europe (and the Soviet Union), will magically guarantee a new democratic capitalist telos in place of the ethnic, economic and territorial maelstrom that is the reality today.”³⁵ While Jowitt was not the only one uncomfortable with this development, transitology was clearly, at least in the initial years following communism's collapse, ascendant, and defenders of area studies were on the defensive even in the pages of the leading journal devoted to Slavic studies.³⁶

Since rising to prominence, however, transitology has been attacked on several fronts, many of which are quite relevant for my discussion of trade unions. Among more generic criticisms is the observation that the outcome of democracy cannot be determined by applying formal reasoning to the general model of transitology, unless the actors rely upon mistaken assumptions.³⁷ Indeed, despite its pretense to be a general model, transitology is,

according to Barbara Geddes, so handicapped by its own possibilistic and voluntaristic structure that few testable hypotheses can be produced. She maintains that very few of the arguments advanced in the transitions literature appear to be true.³⁸

More problems emerge once the transitions literature is “stretched” to postcommunist Europe. It is on this front that fierce debate is encountered between self-described “comparativists” such as Philippe Schmitter and advocates of “area studies” such as Valerie Bunce. Charles King states the matter very clearly with respect to studying democratization in Russia.

There are two ways to speculate about the future of Russia’s ongoing transition. One is to know a great deal about the behavior of over powerful executives and divided legislatures in environments where credible commitment is low, huge incentives for free riding exist, institutional anarchy encourages self-serving political and economic behavior, rent seeking and patronage networks among central and peripheral entrepreneurs prevent broad cooperation, and social cleavages along ascriptive lines such as ethnicity overshadow both ideology and class as a basis for political mobilization. The other is to know a lot about Russia.³⁹

Stephen Cohen likewise laments “Russian studies without Russia,” meaning that categories derived from the experience of others and with a certain ideological agenda have been used to describe the Russian transition. The result, however, is Orwellian, when “transition,” a word with a generally positive connotation, is used to describe something that should be described as a tragedy, disaster, or collapse. For Cohen, this is nothing less than an intellectual and moral outrage.⁴⁰

When the lines of battle are drawn so clearly, it is hard to remain neutral. Although I would posit that it is not simply an either/or choice as some would have it, I will not conceal my allegiance. This study is based upon in-depth empirical examination and as such shares much in common with the best of the area studies tradition. It does not aspire to lump postcommunist countries into predesigned conceptual boxes. However, as should be perfectly clear, it is not oblivious to theory and in fact will borrow extensively from theorists on globalization and labor relations. At the same time though, I fundamentally believe that transitology has severe (although perhaps not fatal) flaws. These, however, need to be made explicit so that it is apparent how the study of organized labor contributes to the understanding of postcommunist transformations.

One shortcoming of transitology is that its implicit optimism and use of particular categories may present a “teleology which would hinder adequate conceptualization of the varied types of democracies that have been emerging.”⁴¹ In other words, transitology, with its normative assumptions and linear structure, has problems accounting for the reasons that transitions might get stuck, as they arguably have in Russia and Ukraine. Another problem is the lack of attention to history or local particularities. Once the transition is in place, the general dynamic is largely the same, and the calculations of actors are future based, not rooted in the past. As Adam Przeworski argues, the obstacles to reform are “determined by a common destination [the requirements of democracy], not by the different points of departure.”⁴² This argument seems quite myopic, given the fact that those postcommunist states that started out with particular advantages (Poland, Hungary, the Czech Republic, Slovenia) have performed far better than their neighbors both in terms of democratic consolidation and marketization. This ahistoricism is almost inevitable in any general model, but it may mean that in an effort to be parsimonious and generalizable, the model misses the most interesting parts. “Path dependency,” the notion that history matters, has thus been taken up by many as an important factor.⁴³ While it might be conceded to the transitologists that some of the dynamics that led to the initial decisions to liberalize might be comparable, the subsequent challenges of consolidating democracies appear to be far more dependent upon history and structural, country-specific factors. This has been the approach in the most comprehensive accounts of democratic transitions to date, where the type of previous authoritarian regime is given great importance in explaining the challenges and outcomes of consolidation.⁴⁴ In the case of postcommunist countries, the points of departure were different when compared to Latin America by virtue of the presence of totalitarian and posttotalitarian regimes. These regimes aspired to squash all independent organizations and control all property, and thus the playing field for the transitions in these countries (Poland and Hungary, being partially liberalized, may rank as exceptions) was markedly different. The result was a lack of social structure or an incipient “political society” of parties and interest organizations that would be seen in bureaucratic-authoritarian regimes of Latin America. Pacts therefore became less likely (Poland and Hungary again the exceptions that demonstrate this rule), because the totalitarian “syndrome” meant that once liberalization proceeded,

the ideological trappings of the regime would begin to unravel, leading to its collapse.⁴⁵

Notions that “history matters” may be rather unobjectionable (and unremarkable), but what does this mean for trade unions? The answer is—plenty. The historical baggage of postcommunist unions will be more fully explored, but for now it should simply be noted that these unions (and postcommunist societies more generally) did not enter the postcommunist period with a *tabula rasa*. The largest trade unions in all postcommunist countries are the successors to those that existed under communist rule and were subservient to the interests of the communist parties. These unions suffer today in part to a credibility gap engendered by this inheritance. Since they did not truly represent workers in the past, they may be tarnished today in the eyes of many. In some cases, their leadership may still be dependent on the state through residual corporatist arrangements, and thus the union is incapable of really challenging the political elite. At the same time, however, the unions are fighting to defend some aspects of the past system: job security, institutions for workers’ input, and union control over property and social services. Thus, unions have an ambiguous relationship with the communist past, which in part can explain their relationship with marketization and democratic reformers. This legacy therefore cannot be overlooked in any discussion of trade unions today.

The most serious myopia in transitology, however, is the assumption that the challenges confronting the postcommunist states are similar to earlier transitions. Postcommunist states are in such different circumstances they cannot be easily compared with those in Latin America or Southern Europe.⁴⁶ Transitology is so preoccupied with finding similarities that it glosses over differences. The result, as Valerie Bunce maintains, is comparing apples not with oranges, but with kangaroos!⁴⁷ The reason for this claim is that postcommunist states were confronted with two challenges that did not exist in Latin America: creating a market-oriented economy and constructing new state institutions and structures.⁴⁸ Latin American transitions were privileged over those in postcommunist Europe because Latin American states already had market systems and a well-institutionalized state. In contrast, postcommunist regimes must build markets from a system that was based nearly exclusively on state ownership and that denied markets any role (Hungary being a limited exception). In addition, many states are new or were seriously hand-

icapped by a power vacuum as the party-state disintegrated, and therefore creating effective authority (let alone a democratic one) was a priority that was not confronted in Latin America. I will not focus much on the state building or nation building aspects of postcommunist transitions, as they are somewhat peripheral to the examination of trade unions. However, the dual transition to both the market and democracy is central to our analysis. At the risk of invoking a bit of Marxism, it is difficult to understand the pathologies of democratic transition in several states (notably Russia and Ukraine, less so perhaps in Poland, the Czech Republic, and Hungary) without taking into account how marketization and the resulting economic dislocation has affected political processes. The economic project in postcommunist states has been far more ambitious than simply imposing austerity measures, which was the main thrust of policy during democratic transitions in Latin America. Bunce notes that “in Southern Europe and Latin America, *the* issue was democratization; that is, a change in political regime . . . By contrast, what is at stake in eastern Europe is nothing less than the creation of the very building blocks of the social order.”⁴⁹ Because of the perceived need for this dual transition, therefore, economic questions—and economic actors such as trade unions—should play a prominent role in the study of postcommunist transformation. In other words, democratization hinges upon political economy.

This argument points to a related shortcoming in the transitions approach: a narrow definition of democracy.⁵⁰ Democracy is defined exclusively in terms of institutions and procedures, not power relations within the broader society. While there is some variation, democracy is generally defined as the existence of free and fair elections and respect for basic human and civil rights—that is, freedom of speech and assembly—that make democratic contestation possible. Questions of political economy are absent, and Schmitter et al. in their initial formulation even take them off the table, noting that the transition must not involve any kind of redistribution of wealth, property, or privilege.⁵¹ Other writers agree: Adam Przeworski and Guiseppe Di Palma clearly define democracy based upon elections and rules, and Andreas Schedler maintains that regime stability and continuity is the key component of democratic consolidation, not deepening democracy.⁵² Other scholars generally concur on a minimalist definition (defined as between Joseph Schumpeter’s electoral democracy and the enumeration of certain rights as spelled out in Robert Dahl’s *Polyarchy*⁵³), suggesting that the main task of consolidation of democracy is simply coopting potential counterelites, so that

all elites will be players in the democratic game.⁵⁴ As Paul Christensen notes in his critique of this literature, democracy is “about rules, not *who* rules.”⁵⁵

The shortcomings of this approach should be obvious. The result approximates the “fallacy of electoralism”; that is, equating democracy with the holding of elections.⁵⁶ This is clearly a narrow view of democracy, one that does not give much purchase on understanding or classifying regimes. For example, by these conventional definitions, Russia is a democracy. Elections are held, there is choice, and people do—for the most part—have the right to express their opinion. The fact that voters do not have good choices, the fact that economic resources are concentrated in the hands of a tiny elite, the fact that patronage matters more than elections, and the fact that the state-owned media favor certain candidates over others are all outside of this conception of democracy. Questions of property—central to any understanding of postcommunist states—are artificially separated from consideration of democracy. This is clearly a misplaced notion. If, for example, the existence of a middle class is taken as a prerequisite of democracy, then property relations must be examined to have any understanding about how the democratic system functions. In many postcommunist cases, “democracy” has arisen with nothing less than the mass theft of state enterprises and the economic disenfranchisement of millions of workers, whose stake in their enterprises was taken from them. Even in an apparently successful case such as Poland, unions were pushed aside when the business of economic reform was addressed by technocrats in the government, despite the fact that it was the unions and their workers that created the democratic opening to put the new elite in power. Christensen, arguing for a broader definition of democracy, suggests, “The problem of disjuncture between the formal rules of democracy and the actual power relations within a state is no more evident than in Russia, precisely because the struggles over property, control of resources, social (dis)empowerment, and state (non)responsiveness are so acute.”⁵⁷ This is not unique to Russia, of course. Looking deeper into the political economy of democratization, while often messy and not easily amenable to formal models, is therefore necessary in order to get a better and more accurate rendering of what democracy means in actual practice.

Trade unions play a central role here, and including them enriches the study of democratization. They, along with business groups, are located at the nexus of political and civil society, and at the intersection of politics and the economy. They are crucial in any understanding of political economy,

for their actions reveal the interplay and tension between democracy and the market. Their empowerment or lack of power cuts to the question of *who* rules, which is arguably at least as important as the institutional rules of the democratic system. Of course, this terrain is less value neutral. However, it is certainly legitimate to ask who benefits from the rules of new political and economic arrangements. The chapters that follow document not only organized labor's weakness in the postcommunist period but also assess the causes for labor's decline and, most important, examine what impact this has on the democratization project in the region.