
ABSTRACTS

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POST-COMMUNIST MANAGERIALISM:
REMAKING THE ECONOMIC INSTITUTIONS
AND THE CHANGES IN THE SOCIAL STRUCTURE

In this paper we explore what – if anything – is unique in the nature of economic institutions and social structure of post-communist societies.

Our point of departure is David Stark's proposition: it may be teleological and misleading to think about post-communism as transition from state socialism towards a well defined destination – namely liberal capitalism.

We develop a theory of *post-communism* which perceives this social formation as *managerial capitalism*. We offer first a sketch what the economic institutions of this new system may be. We develop an outline of the *political economy of post-communist managerialism*: an economic system in which diffuse property relation, the absence of identifiable owners of corporate assets coexists with capital and labor markets. Next we try to offer a few empirically testable hypotheses concerning the dynamics of *social structure* of the emergent new society: 1) We will show that the incumbents of command positions of post-communist economy are composed by those who were already in managerial positions before the fall of communism. 2) We will demonstrate – that contrary to the expectation of the political capitalism theory, which anticipated the making of a nomenklatura bourgeoisie the incumbents of these positions are usually not owners, the basis of their power and privilege is not property of wealth, but professional expertise. 3) We also will show that the managerial elite resembles in many ways the members of the new politocracy and of the cultural elites. The new power elite of post-communist formation is not composed by owners, but the technocracy-corporate managerial elite and the new politocracy constitutes – to put it with Bourdieu – its dominant fraction, with the humanistic and social science elite intellectuals as its dominated fraction.

While we will show that the ruling elites of post-communism do have an interest to reproduce the uniquely diffuse property relations

upon which post-communist managerialism is based and it may have an interest *not* to promote the development of identifiable owners, or a propertied grand bourgeoisie, such a class still can emerge and post-communist managerial capitalism may eventually converge with capitalism of the West European or North American type.

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REGIONALISM IN BRITAIN AND IN HUNGARY

The process of European integration has brought with it significant implications not only for national and supranational levels of government, but also for subnational levels of government throughout Europe. The creation of the European Union opens up important possibilities for re-defining the constitutional place of subnational government.

Clearly, the meaning of „sovereignty“ is changed when previously independent nation states agree to pool their sovereignty within the wider EU, and new concepts such as the principle of subsidiarity must now be considered. The principle – the idea that decisions should only be taken at higher level where a lower level cannot adequately meet the task – has profound implications for most political systems. The principle is not just a mechanism for allocating powers between the European Union and member states, but also carries through to the relationship between those states and their component subnational structures. Such considerations from the backcloth to the EU's newest institution, the Committee of Regions formed in March 1994. This body, established under Article 198A of the Maastricht Treaty, provides the first formal recognition for local and regional government under the Treaty. It is an important landmark and, although possessing relatively modest powers, potentially has far-reaching implications.

A number of EU-member states already have regional structures and some others (e.g. Spain and Portugal) have recently introduced a regional tier. Meanwhile, for those member states, such as Britain, which are unitary in nature, EU processes and policies provide an increasing incentive to operate at regional level. The regional dimension of the EU's Structural Funds is clear example of such an incentive. As a result, ever more activity now takes place at this level which, in turn, creates pressure to formalise these activities into a true regional tier. At present in Britain regions are recognised as administrative units but not as political units.

Although as yet an aspirant member of the EU rather than an actual member, the same forces can be seen at work in Hungary with the proposals to create regional tiers above those of the county level. A comparison of the debates in these two countries provides a useful insight into the various possibilities for decentralised government, and the options such as reorganisation might take.

The devolution debate in Britain goes back many years, coming to a peak in the 1970s with the rise of the National parties, then falling away in the eighties and again, much encouraged by the workings of the EU, to once more figure prominently on the political agenda. Two leading parties – Labour and the Liberal Democrats include a commitment to some form of regionalism in their election manifestos. With an election due no later than summer 1997, and the polls currently predicting a comfortable victory for Labour, it is to be anticipated that regionalism will be a key constitutional issue in the next few years. The last major reform of local government was in 1974 but, in 1996, modifications are being introduced in some areas.

In Hungary the debate is perhaps no so well advanced. Not yet a member of the EU, one element of the drive towards regionalism is missing but, in anticipation of future membership, similar ground is being covered in debates. In Hungary, the Local Government Act 1990 LXV began the process of decentralisation. As in Britain, the election manifestos of the major political parties reveals the split between conservative and socialist groups about the issue of centralisation-decentralisation. These differences were highlighted in the general elections in 1990 and 1994.

Comparison of the two countries, therefore, reveals the different stages of regional development. Britain has administrative regions, and there are mixed views between parties whether there should now be added a political dimension. In Hungary, because decentralisation has arrived late on the parties' agendas, the current stage is concerned more with the creation of planning and statistical units at regional level to cover the present counties, rather than radical political changes. Despite their differences, however, both countries indicate the importance of the EU to the regionalism debate. The desire to attract EU funding is a powerful engine of regionalism in both countries. The need to have structures and territories that are compatible with EU systems is a powerful driving force.

This raises one of the practical difficulties of regionalism – how to define and draw borders and boundaries. Territorially, counties in both Britain and Hungary are relatively small. For the purposes of economic planning and liaison with Europe, Britain is now divided into ten regions. In Hungary, the proposed six new statistical regions in Hungary would cover the administrative borders of the nineteen counties.

As the various reforms of Hungarian local government begin to settle, we can expect that both responsibilities of the settlements and those of the counties and, if they are created, the larger regions will clarify their respective roles. However, the lack of commonality between the borders of the communities and the counties will continue to make any comprehensive review of subnational government difficult. In short, what is happening in Britain and Hungary reveals a parallel process but one in which the countries at different stages.

JÓZSEF BAYER

THE CONTINUITY OF THE LEGITIMACY CRISIS

The study – originally a habilitation thesis – analyzes the specific legitimacy structure of soviet-type state-socialist systems, their delegitimation process and the continuing legitimacy problems since the systemic change. The analytic concept is based on the three-dimensional notion of legitimacy (taken over from D. Beetham) which differentiates between the legal, ideological (discourse-oriented) and the consensual aspects of legitimacy. The author regards legitimacy as a question of degree, and rejects universalistic concepts about the allegedly single valid legitimacy norm of liberal democracies. He specifies the different mode of legitimacy in soviet-type regimes along the three levels by their main internal contradictions: how the political monopoly of the ruling party qualifies and undermines even the system's own legality; the ideological domination constrains the public discourse and avert any open questioning of the legitimacy; and last, the mobilisation of support is counterweighed by the paralysing of any autonomous actions of citizens and especially dissenters.

The author analyses disruptions and delegitimation effects in Hungary and describes the legitimacy crisis in the 80-s as a contributing factor to the peaceful "revolution". He looks for an answer why the weakness of legitimacy remains a problem for the new, democratically legitimated governments as well. The specific reasons lay partly in the engraved political culture of the political elite as well as of the population, partly in the social and economic crisis during the transformation phase.