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Editorial

This issue of the *Czech Sociological Review* includes a great variety of topics, from very empirical issues to highly theoretical ones. While the articles examine both old and very new topics in the field of sociology, they share in common an attempt to re-assess and apply new perspectives, pushing the boundaries of the field and calling for sociology's engagement in exciting new areas and ways.

Two articles are on poverty. This reflects the attention that the issue is currently receiving from international and national bodies in close connection with the politics of poverty alleviation and the prevention of social exclusion. Halving financial poverty is the first of the UN Millennium Goals. In the European Union, the Lisbon process has put the focus on social inclusion, a trend that is being developed with growing intensity. All new EU member countries, including the Czech Republic, have recently prepared National Action Plans on Social Inclusion, which set out policies in various relevant areas – the labour market, education, social protection, anti-discriminatory policies, etc. The issue also presents social research with a great challenge.

In the first article on poverty, Michael M. Förster provides evidence on income poverty levels and trends and the driving factors behind income poverty in 26 OECD countries, using data that overcome many of the comparability issues that plague cross-country comparisons in this field. The article presents and discusses the overall trends in the incidence and intensity of poverty during the past 20 years and documents the changes that have occurred in the profile of poverty during that period. Of outmost importance is the analysis of the main determinants that have influenced these changes and that are of particular importance for formulating poverty alleviation policies: trends in social spending, tax/transfer policies, labour markets, and employment, and changes in the population structure.

Jiří Večerník asks who are the poor in the Czech Republic. Using new sources of income data, he applies a variety of measurements that reveal the different faces of poverty, comparing objective and subjective indicators. Developments since 1989 indicate that more change has occurred in the composition than in the amount of poverty. Before 1989, poverty was caused mainly by demographic factors. By contrast, in the market economy, unemployment became the strongest factor of poverty. Although the problem of 'the working poor' is – so far – less acute in the Czech Republic than in other EU countries, it is nonetheless still a serious problem. In conclusion, the author calls for sociology to be drawn more into poverty research.

Several contributions are on sociological theory. Jan Drahokoupil reminds us of the seminal ideas of Karl Polanyi. His article deals with contradicting interpretations of the notion of social protectionism in Polanyi's *The Great Transformation*. The first interpretation sees social protectionism as a balancing principle of economic liberalism. The second understands social protectionism as a part of the market

pathology. The author concludes that the favourite notion of social protectionism as a balancing principle of economic liberalism does not correspond to Polanyi's theory. He also comments sceptically on the utility of Polanyi for understanding social protectionism in social analysis.

Marta Kolářová analyses the images presented in the British and Czech alternative press to determine how men and women in the anti-globalisation movement are visually represented in the alternative media. The author discusses the many ways in which women's participation in this form of social protest is presented as gendered and what the images depicted in the media signify in semiotic terms. The author argues that the alternative media reproduce gender stereotypes and confirm gender patterns. While social protest in general is an underdeveloped field of study, the gender perspective on this field is even more neglected. This work is a very welcome contribution to an emerging area of inquiry.

Paul Blokker reviews two books dealing with the post-communist transformation. He shows that after a relatively dogmatic period in which neo-liberalism and neo-modernisationist attitudes towards transition dominated, the advance of interdisciplinary, and historically and culturally informed approaches are rendering the field of transition studies a breeding ground for innovation and critical perspectives on sociology in general. The possibility of understanding the emerging post-communist societies as possible alternative forms of democratic and capitalist societies rather than as either faithful or failed copies of the West is a perspective that is increasingly gaining ground. Western-centric and economic-determinist thinking will effectively belong to the past.

Martin Hrubec interviews Nancy Fraser, a social and political theorist from the New School in New York. In the interview they discuss the theory of justice she developed, which attempts to connect the requirements of both redistribution and recognition. The main ideas behind the theory are elaborated in their discussion. As Nancy Fraser concludes, theorists of justice should not focus only on debating the question 'equality of what?' but should also look at the question 'equality among whom?', which means evaluating the relative merits of nationalism, liberal internationalism, and cosmopolitanism with respect to issues of distributive justice, on the one hand, and of recognition, on the other.

In the summer of 2005, the *Czech Sociological Review* will publish a thematic issue on legislatures and representation in Central Eastern Europe. The guest editors of the issue will be Zdenka Mansfeldová, Lukáš Linek, and Petra Rakušanová. The issue will focus on topics related to legislatures and representation and will address a basic question, which – after decades of research and theoretical thinking – remains unchanged: Who do MPs represent? The articles in the summer issue of the *Czech Sociological Review* will address legislature and representation topics using empirical findings from different countries in the CEE region and will be contributed by both established and new young scholars from CEE and Western Europe.

Jiří Večerník
Editor-in-Chief

Longer-Term Trends in Income Poverty in the OECD Area*

MICHAEL F. FÖRSTER**
OECD Directorate for Employment, Labour, and Social Affairs, Paris

Abstract: This article reviews trends in income poverty in 26 OECD countries, including the most recent trends up to the early 2000s. Despite rather modest changes in overall poverty indicators over the long run, the structure of poverty has shifted over the years in all OECD countries, leading to higher poverty risks among younger age groups and consistently very high poverty levels among single parents – especially if they are without employment. Demographic changes have influenced these poverty trends, but they do not fully account for cross-country differentials. In turn, direct taxes and public transfers play a significant role in reducing market-income poverty, with considerably higher reduction rates in some of the European OECD countries; country differences are especially pronounced in the case of households with children. The poverty alleviation effect of tax/transfers increased in almost all OECD countries during the 1980s and early 1990s but slightly declined over the second half of the 1990s. Notwithstanding the efforts and effects of tax/transfer policies, employment remains a key factor for escaping the risk of poverty, underlining the importance of employment-oriented social policies and labour market policies that help 'make work pay'.
Sociologický časopis/Czech Sociological Review, 2004, Vol. 40, No. 6: 785–805

1. Introduction

Governments have long cared about reducing or eliminating poverty, but as a policy objective poverty has rarely had such a high profile as it now enjoys. Most OECD governments can now point to having anti-poverty targets or anti-poverty strategies (albeit varying in comprehensiveness and ambition).

There are a number of reasons for this. The improvement of the labour market has reduced the profile of the efforts to tackle unemployment. Yet, reductions in unemployment often have not been accompanied by reductions in poverty to the

* This article was first published in French under the title 'Tendances à long terme dans les pays de l'OCDE' by *Les politiques sociales* Vol. 64, 2004. We are grateful to their editor, Marie-Anne Beauduin, for kindly granting permission to publish the article in the *Czech Sociological Review*. The preliminary results presented in this article are based on the OECD study on *Income Distribution and Poverty in OECD Countries in the Second Half of the 1990s* (OECD 2004).
** The opinions expressed are those of the author and do not engage the OECD or its member countries. Errors are the sole responsibility of the author. Direct all correspondence to: Michael F. Förster, e-mail: michael.forster@oecd.org

same extent, leading to greater focus on the latter as a policy target. Indeed, the greater emphasis on policy outcomes is in itself one of the reasons for the increased profile of poverty: rather than arguing over the share of the public budget going to different areas of policy, spending departments throughout the developed world are increasingly expected to explain both to finance ministries and to the public what they intend to achieve with the money they seek. Reducing poverty ranks high in most political programmes, and this is increasingly translated into quantifiable targets.

A further impetus to the focus on poverty comes from international processes and conventions. The first of the UN Millennium Goals is to halve financial poverty. Within the European Union a travelogue of agreements and processes (Lisbon, Laeken...) has set the reduction of poverty as one of the principle objectives of both European institutions and national governments, leading to agreements that indicators of poverty and social exclusion should be defined on a common basis across the twenty-five countries, and monitored through an 'open method of co-ordination' (essentially, an exchange of views across countries based on evidence about what has worked well in a particular area of policy through a discussion of the 'national action plans').

Since the early 1990s the OECD has published a series of reports on income distribution and poverty in its thirty member countries.[1] This work is now incorporated in a larger system of social indicators, produced every two years (see OECD [2003]). These social indicators cover many other aspects of equity, self-sufficiency, social cohesion, and health, and permit a broader view of the social situation and social policies in countries than can be obtained by focusing on any one indicator, even one as important as poverty.

Some sense of perspective is necessary because, whilst there is much interest in poverty as a concept, it means different things to different people. Worse, the most widely accepted concept of poverty – the inadequate command of resources, where the adequacy or otherwise of a household income level is determined with respect to the norms prevailing in the particular community in which the household is based – is not directly observable. Instead, when making international comparisons, a series of questionable assumptions have to be made. First, we look only at the income of a household, not at wealth or the provision of services in kind, including health care. Second, we look at only a single point in time. Most households can cope reasonably well with a short period of low income. Only if this is sustained over time does it lead inexorably towards distress. Third, we use an entirely arbitrary poverty line – 50% of the median household income in a country, adjusted for household size.

These are clearly simplifications and compromises. But for the purposes of international comparisons over time, they may not be as limiting as they seem at first sight. Although poverty is not *just* about low incomes, it is about low incomes *to a large*

[1] See Atkinson et al. [1995], Burnieaux et al. [1998], Förster and Pelizzari [2000], and Förster and Pearson [2002].

extent, so examining how these vary over time, across age groups, and in different family types does in all probability indicate deeper underlying trends in poverty. Furthermore, the main policy levers that governments can pull to influence poverty levels relate to income – either direct cash transfers, or delivering help in finding work.

This article provides evidence of levels, trends, and driving factors in income poverty in twenty-six OECD countries, using data that correct many of the comparability issues that plague cross-country comparisons in this field. Section 2 discusses the overall trends in incidence and intensity of poverty during the past twenty years. Section 3 considers the changes that occurred to the profile of poverty, in particular how groups at risk of poverty have changed over time, focusing on the period since the mid-1980s. Section 4 puts forward the main determinants that have influenced these changes and that are particularly important for formulating poverty alleviation policies: trends in social spending and tax/transfer policies; the importance of labour markets and employment; and changes in the population structure. Section 5 offers conclusions.

2. Overall trends in income poverty

Levels of poverty with regard to equivalised household disposable income is a natural starting point for assessing the prevailing poverty patterns at the beginning of the century in OECD countries.[2] Figure 1 displays one widely used summary indicator of income poverty – the 'headcount' ratio, i.e. the percentage of people with an income below 50% of the median disposable income threshold in each country – in twenty-six OECD countries. Clearly, there is wide disparity in the extent of relative income poverty across OECD countries. Figure 1 makes it possible to distinguish four groups of countries in terms of ascending levels of poverty in the most recent year:

- The four Nordic countries (Denmark, Sweden, Finland, and Norway) together with the Czech Republic, the Netherlands and Switzerland display poverty rates below 7%.
- Other continental European countries, including Hungary and Poland, show poverty rates between 7% and 10%, i.e. slightly below the overall OECD average.
- Most Anglo-Saxon countries (Australia, Canada, New Zealand, and the United Kingdom) and Southern European countries (Greece, Spain, Portugal and Italy) record poverty rates slightly above the OECD average, i.e. between 10% and 14%.
- A disparate group, including Ireland and the United States, together with Japan, Mexico and Turkey display the highest poverty rates, between 15% and 20%.

[2] Disposable household income lumps together all market income sources of household members (gross wages and salaries, capital income and rents) with private and public transfers and deducts income taxes and social security contributions. This income measure is adjusted for household size, using as equivalence elasticity the square root of the household size.

How has poverty evolved over time? Longer-trend data dating back to the mid-1970s are available for a sub-set of just seven OECD countries. These data, confirmed by evidence from national studies, suggest that poverty rates were slightly falling between the mid-1970s and mid-1980s. This was indeed the case in five of the seven countries considered here. During the following decade, between the mid-1980s and mid-1990s, the (un-weighted) overall OECD average poverty rate slightly increased by half a percentage point, to 10% of the total population. More significant changes (greater than 2.5 percentage points) took place in only a few countries: Australia, Belgium (downwards), Germany, Italy, the Netherlands and the United Kingdom (upwards). Finally, in the most recent period, from the mid-1990s to 2000, the overall OECD rate increased by another half a percentage point, while larger changes were recorded only in Ireland (upwards).[3]

There has been a slight convergence in the levels of relative poverty across countries over time,[4] brought about by increases in the 'headcount' measure in lower-poverty countries and stability or decreases in higher-poverty countries.

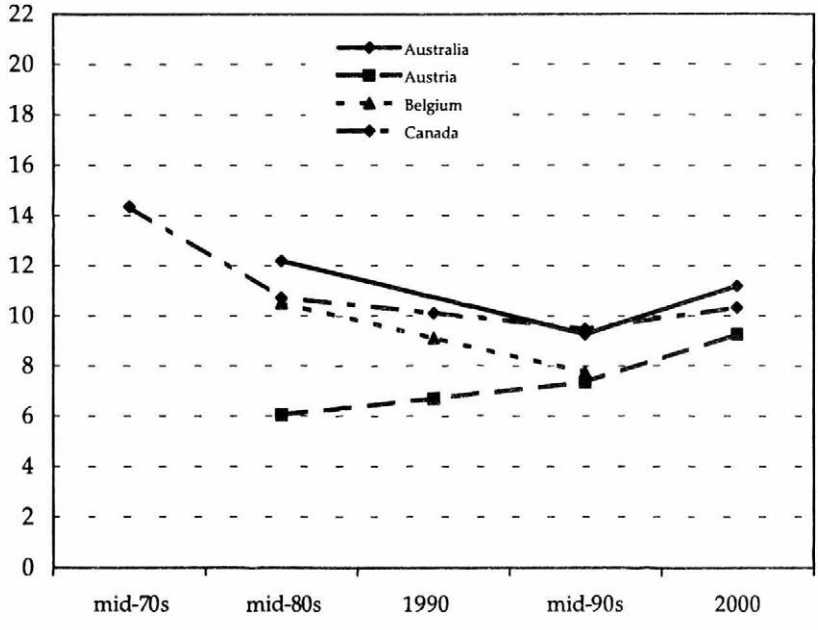
Longer-term trends in poverty rates have therefore appeared to be rather stable, though slowly rising on average and with a few exceptions. This contrasts with the somewhat more volatile changes in income distribution as a whole [OECD 2004]. Indeed, poverty – even when measured in relative terms – can display more stable patterns, and it does not necessarily move in the same direction as income inequality if the driving force behind increased inequality stems from the top part of the distribution while policies targeting vulnerable groups maintain their structure of income [Förster and Vleminckx 2004].

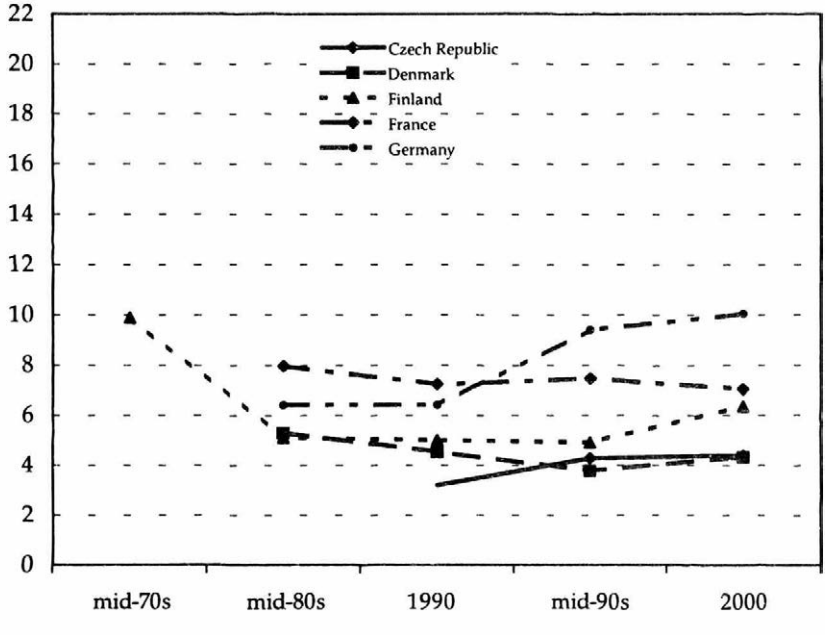
Data on poverty are measured in relation to an arbitrary threshold: 50% of the median income. When large proportions of the population are clustered just around this threshold, small changes in their income can lead to large changes in headcount rates. It is therefore important to look at alternative choices of poverty lines, specifically a higher threshold at 60% of median income – a line that is now commonly used by EUROSTAT as one of their main indicators ('at-risk-of-poverty rate'). Estimates obtained on this basis suggest that, in all OECD countries reviewed, a significant share of the population (5% to 7% in most countries, but 9% to 10% in Australia and New Zealand) is clustered between the 50% and 60% thresholds. In Germany, Hungary and the United States, the increase in poverty rates measured in relation to the 50% threshold over recent years was largely a reflection of the decline in the number of persons with income between 50% and 60% of the median; conversely, in Australia, Denmark and many other countries, the increase in poverty (measured with the 50% threshold) recorded in the second half of the 1990s reflected increas-

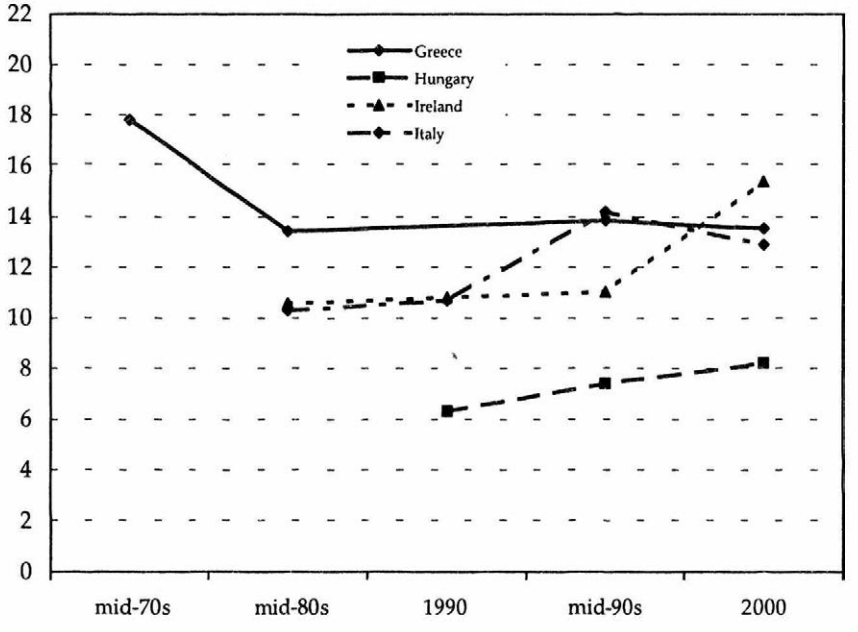
[3] These and the following considerations refer to *relative* poverty, i.e. poverty in relation to a threshold (50% of the median) in a given country and given year. Estimates holding the poverty threshold *constant* in the real money terms of the mid-1980s show that poverty below such constant thresholds would have decreased in almost all OECD countries.

[4] On the basis of two alternative poverty thresholds (50% and 60% of the median income), the standard deviation of poverty rates declined by approx. 10% over the past 15 years.

Figure 1. Longer-term trends in poverty rates in 26 OECD countries
Equivalence scale elasticity=0.5



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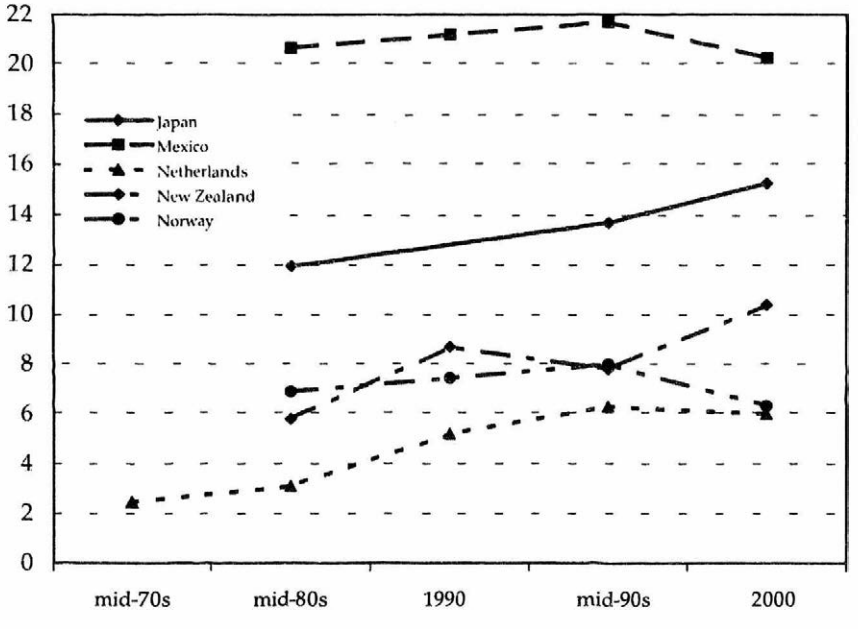
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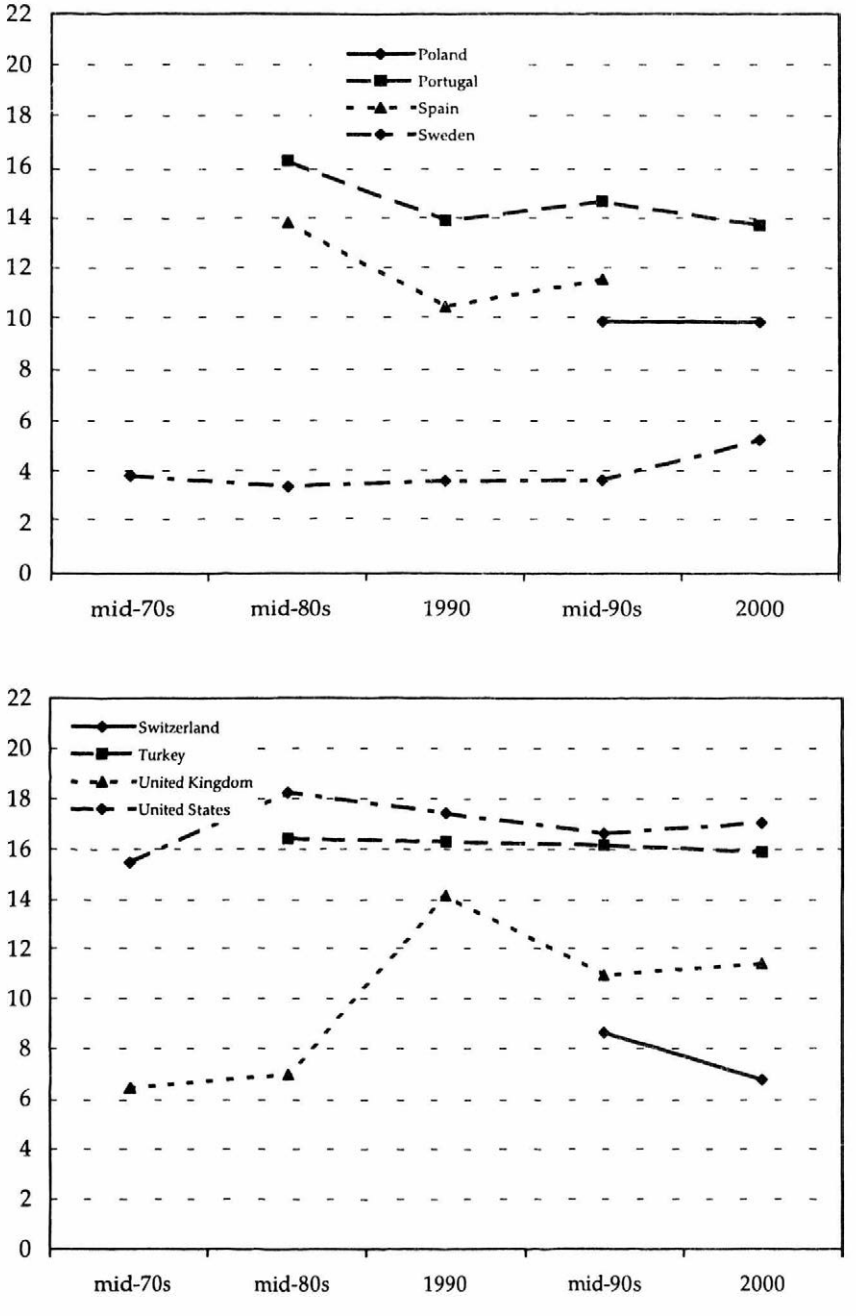


Note: Poverty rates are measured as the share of individuals with equivalised disposable income less than 50% of the median for the entire population. Data for Canada and Sweden for the mid-1980s are adjusted to take into account breaks in the series in the mid-1990s.
Source: Calculations from the OECD questionnaire on income distribution indicators [OECD 2004].

es occurring throughout the distribution. Persons with equivalised disposable income below 60% of the median may not be counted as poor when assessed in relation to more conservative thresholds, but still face difficulties in making ends meet. The proportion of people that fall below the 50% threshold, as a share of those falling below the 60% line, provides some indication of the severity of poverty in a country. This share is between 50% and 60% in most OECD countries, ranging from 50% or less in the Nordic countries and the Netherlands to 70% or more in Japan, Mexico, Turkey, and the United States.

The headcount ratio is just one dimension of poverty. Also important is the income level of individuals who are below the poverty line. Poverty gaps – the extent to which the average income of the poor is below the 50% income threshold – declined in the second half of the 1990s in about one-half of the OECD countries (by more than 5 percentage points in Australia, New Zealand, Portugal, and Switzerland), while they increased in the other half (considerably so in Germany and Ireland). Overall, on the OECD average for 2000, the average disposable income of the poor was 28% lower than the poverty line. The values range from 20% and below (Czech Republic, Finland) up to around 36% (Italy, Japan, Mexico, Switzerland). In general, countries with a low incidence of poverty (headcount ratios) tend to also have less intense poverty (poverty gaps) - but there are a number of notable exceptions: Belgium, the Netherlands, and Switzerland, with below-average rates and above-average gaps, and Ireland, Portugal, and the United Kingdom, where the reverse is true.

A synthetic measure of poverty, which takes into account both poverty risks and gaps (the product of the poverty rate and the poverty gap), indicates that the income transfer needed to raise all those living below the poverty line to the level of the poverty line ranged in 2000 from a high of 7% of (equivalised) disposable income in Mexico to a low of less than 1% in the Czech Republic. In eighteen of the twenty-six OECD countries, this hypothetical measure of the necessary spending effort is between 2% and 4% of total disposable income.

3. Changes in poverty profiles

Despite rather modest changes in overall poverty indicators, the structure of poverty has shifted over the years in all OECD countries. This notably concerns the changes in poverty risk for particular age groups and family constellations. Policies aimed at designing successful anti-poverty programmes need to identify the vulnerable groups at risk of having insufficient resources and must accurately trace how these risks evolve.

The first issue refers to the *age structure* of the poor population and the possible 'childrenisation' of poverty, sometimes put forward in national poverty debates. Past OECD studies have indeed highlighted steady gains in the relative incomes of prime-aged and elderly persons - especially those around retirement-age - in all

OECD countries, along with declines in their poverty rates both in absolute terms and relative to other age groups [Förster and Pearson 2002]. The poverty population, which in most OECD countries was disproportionately elderly in the 1970s, changed during the 1980s and 1990s to one that is more weighted towards younger households with children.

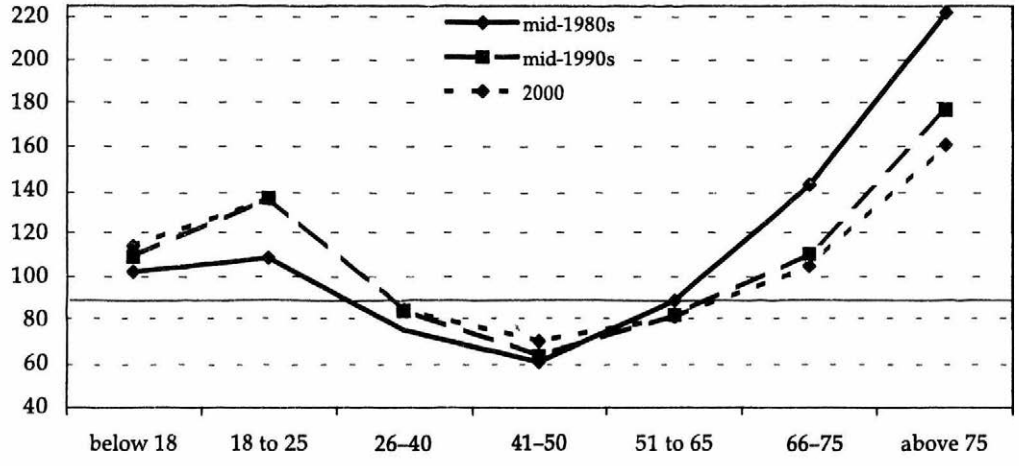
Changes in the second half of the 1990s broadly confirm this trend, but also suggest a few departures from these long-term patterns. Figure 2 and Table 1 summarise the data on poverty indexes of individuals by age for the average of the OECD countries in 2000 and changes in that profile for the mid-1990s and the mid-1980s. Persons of prime age, in particular those aged 41 to 50, face the lowest poverty risk, while younger age groups (in particular youth between 18 and 25) and older age groups are at above average risk; this relates in particular to older senior citizens aged 76 and above. While this shape of age-related poverty is well established, changes since the mid-1980s suggest that:

- Child poverty is on the rise, slowly but steadily. While children's poverty rates were not too different from that of the total population, they are now almost 20% higher.
- Youths (18 to 25) experienced a sharp increase in poverty between the mid-1980s and mid-1990s, from close to average values to 1.4 times that of the total population. Their poverty index remained at this high level but did not increase much further during the past five years.
- The poverty index of prime-age adults (aged 41 to 50) somewhat increased, especially during the past five years – but these persons continue to have the lowest poverty risks.
- Elderly persons (66 to 75) and the very old (76 and over) recorded significant declines in their poverty indexes between the mid-1980s and mid-1990s. This trend has continued further, but at a much lower pace in the last five years. Poverty rates of persons 76 and over were more than twice those of the total population in the 1980s and fell by 1.6 times in 2000 – still the highest risk among the population.

Equally important for policy considerations are trends in the relative importance of specific groups in poverty: poverty shares. Around one-fourth of the poor are children and one-fifth are elderly. The share of both age groups in the poor population actually *decreased* during the past 15 years. In turn, the percentage of poor comprising persons aged between 26 and 49 increased from 24% to 28%, which highlights the importance of programmes targeting people of prime working age.

Country averages obviously conceal important variations across countries. In the Central-Eastern European countries, for instance, child poverty rates increased significantly during the 1990s (they more than doubled in the Czech Republic and Hungary), while poverty rates among the elderly decreased by almost threefold. Similar trends, though less pronounced, occurred in Austria, France, Germany, and New Zealand. In other countries, child poverty decreased or remained stable, while elderly poverty increased (Finland, Ireland, Sweden, United States). In the Nordic countries, the share of children among the poor population is well below 20% (but

Figure 2. Poverty indexes for age groups (total poverty = 100), OECD average



Note: Poverty indexes are defined as the group-specific poverty rate divided by the total poverty rate. An index of 200 for an age group thus indicates that the poverty rate is twice that of the total population.

Source: Calculations from the OECD questionnaire on income distribution indicators [OECD 2004].

increasing), while this share is above 30% in Canada, the Czech Republic, the Netherlands, New Zealand, Poland, the United Kingdom, and the United States, and close to 50% in Mexico and Turkey (but decreasing there).

Another consideration relates to poverty risks according to different *family structures* among the working-age population. Table 2 shows that persons in two-or-more-adult households without children have the lowest poverty rates, while single parents feature by far the highest: three times the average for the working-age population. This risk increased further in the past five years, and single parents now constitute 15% of the poor working-age population. The poverty rates among two-or-more-adult households with children also slightly increased, but their share in the poor population decreased from over 50% to 46%.

In more than one-third of the OECD countries there is no major difference in poverty rates between households with children and households without children. Significantly higher poverty risks for persons in families with children occur only in Austria, Hungary, Italy, Portugal, the United Kingdom, the United States and, in particular, Mexico and Turkey. The other extremes are Belgium and the four Nordic countries, where childless families have a considerably higher poverty risk.

Poverty rates for single parents are high throughout all OECD countries, but they are close to 40% and above in Australia, Canada, New Zealand, the United Kingdom and the United States, and over 50% in Ireland, Japan, Spain and Turkey.

Table 1. Levels and trends in poverty rates and poverty shares by age groups, OECD average

	Poverty rates								Poverty shares							
	below 18	18 to 25	26 to 40	40 to 49	51 to 65	66 to 75	above 75	total	below 18	18 to 25	26 to 40	40 to 49	51 to 65	66 to 75	above 75
Level 2000	12.0	12.0	8.7	7.5	9.0	11.8	16.4	10.4	27.3	13.7	18.5	9.9	13.0	8.9	8.7
Change mid-80s to mid-90s	1.4	2.6	1.3	0.7	0.2	–1.4	–0.8	0.6	–1.2	1.7	1.4	1.6	–1.5	–2.0	–1.3
Change mid-90s to 2000	0.9	0.9	0.4	0.9	0.5	0.2	–0.3	0.6	–0.7	–0.9	–0.2	1.2	1.0	–0.4	0.1

Table 2. Levels and trends in poverty rates and poverty shares among the working-age population by family types, OECD average

	Poverty rates					Poverty shares			
	2 adults with children	Single parents	2 adults without children	Single persons without children	Total working-age population	2 adults with children	Single parents	2 adults without children	Single persons without children
Level 2000	8.7	31.7	5.9	18.2	9.9	47.1	15.1	18.2	20.0
Change mid-80s to mid-90s	0.9	–0.4	0.4	0.8	1.1	–5.1	0.8	1.2	2.9
Change mid-90s to 2000	0.5	1.4	0.2	–0.7	0.5	–0.7	1.1	0.5	–0.6

Note: Poverty rates: percentage of persons in households below 50% of total household disposable income. Poverty shares: percentage shares. Changes refer to percentage point changes. Two adults refer to two or more adults.

Source: Calculations from the OECD questionnaire on income distribution indicators [OECD 2004].

The largest increases in poverty risks for this group were, however, recorded in France, the Netherlands, New Zealand and the United Kingdom, while some of the Nordic countries managed to considerably reduce poverty rates for single parents over the past 15 years.

4. Driving factors for changes in poverty patterns

4.1 Social spending and tax/transfers policies

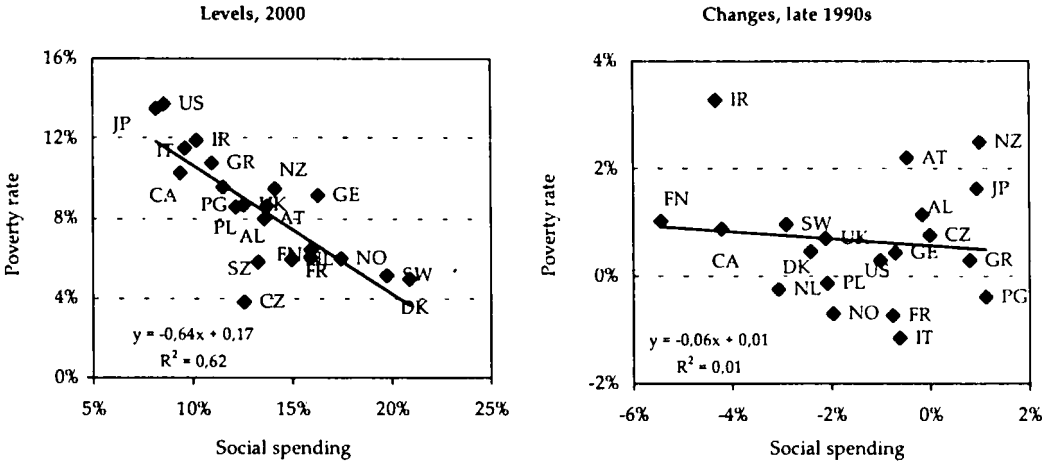
Government policies play a significant role in accelerating or moderating trends in income poverty among the population of working age. The most direct and visible way in which they perform this role is through the tax and welfare systems.[5] An indicator of the importance of the tax and transfer system in moderating income poverty can be obtained by comparing poverty before and after taking account of taxes and transfers, i.e. poverty on the basis of market incomes and on the basis of disposable incomes. Taxes and public transfers reduce market-income poverty among the *working-age population* by around 60% on average, with the size of this reduction ranging between around 20% in Japan and the United States to 70% or more in Belgium, the Czech Republic, Denmark, France and Sweden. The effect of taxes and transfers in moderating poverty among the working-age population increased in almost all OECD countries during the 1980s and the early 1990s. This effect, however, slightly declined – in most countries and on average – over the second half of the 1990s.[6]

The impact of taxes and transfers is significantly affected by the presence of children. While taxes and transfers reduce poverty among households with children, their effect is lower than in the case of households without children. On the OECD average, taxes and transfers lift close to 70% of persons in households without children out of market-income poverty, but only 43% of those in households with children. The effects of taxes and transfers in reducing poverty among households with children are especially weak in Italy, Japan, and Portugal, and strong in Nordic countries. The impact of taxes and transfers in reducing poverty also varies across different types of households with children. In most countries, taxes and

[5] Other means whereby governments influence poverty and income inequality include policies aimed at changing the distribution of skills among the population (in particular, at increasing the earnings potential of those most exposed to poverty risks), at supporting the earnings of workers at the bottom of the pay scale (for example through minimum wage provisions), and at addressing the specific barriers to labour force participation faced by disadvantaged groups.

[6] It should be emphasised that these results reflect only first-order effects. Simple comparisons of poverty rates before and after accounting of net transfers do not recognise that taxes and transfers and changes to these may influence behaviour with regard to both family structure and labour market participation.

Figure 3. Poverty among the working-age population and social spending



Note: Poverty rates: percentage of persons in households below 50% of total household disposable income. Social spending refers to public and mandatory private social spending to the population of working age (i.e. total spending less spending for old-age and survivors), as a share of GDP. Negative changes in poverty rates (Panel B) denote reductions over the period.

Source: OECD social expenditure data base; calculations from the OECD questionnaire on income distribution indicators [OECD 2004].

transfers have the largest poverty-reducing effect on households with children where no one is working (with the exception of Italy and the United States in the case of single parents).

The reductions in inequality and poverty achieved through the tax and transfer system depend on both their degree of concentration and their size. Figure 3 points to a significant negative relation between levels of social spending and poverty rates among the population of working age (countries with higher levels of social spending achieve lower levels of income poverty).[7] When looking at the changes in social spending and poverty that occurred in recent years, however, no significant relationship appears to hold; some of the countries that made the most reductions in social spending on the population of working age in the second half of the 1990s also achieved an above-average reduction in poverty rates in the same period.

Given their weight in determining the disposable income of *elderly* people, public pensions play a major role in shaping income adequacy and poverty risks for

[7] Because of the importance of levels of social spending, the effect of greater targeting of spending for poverty outcomes may be ambiguous (if greater targeting towards those most in need – by reducing support for welfare among 'median' voters – leads to less generous programmes overall).

this group of the population. When considered together, public transfers and taxes reduced inequality and poverty among the elderly in 2000 by more than they did with regard to the population of working age. However, in a majority of countries this effect has weakened in recent years (with the exceptions of France, Greece, Italy and Portugal).

The outcomes in terms of poverty and distribution among the elderly are affected by several features of public pension systems. The amount of spending on old-age pensions, however, does little by itself to influence poverty outcomes among the retirement-age population: in fact, some of the countries with higher public spending on old-age pensions (e.g. Italy, France, and Germany) experience higher poverty rates among the elderly than countries with much lower spending levels. This lack of association between pension spending and poverty outcomes reflects the importance of earnings-related pensions, and differences in the ceilings that are applied to high earnings. Indeed, where pension benefits increase in line with previous earnings, they may have a regressive impact on income distribution and relative poverty among the elderly.

Other features of pension systems are likely to matter more for poverty outcomes among the elderly than aggregate spending.[8] Among the features that are most obviously related to poverty outcomes are the pension 'floors' provided in first-tier public systems. OECD countries, however, vary significantly in the tools they use to minimise poverty risks among the elderly: some rely on 'minimum pensions', limited to persons with contributory records, others use 'basic' pensions, provided to all elderly citizens irrespective of past contributions (but often subject to residence and means tests), and still others use general social assistance schemes that apply to the entire population.

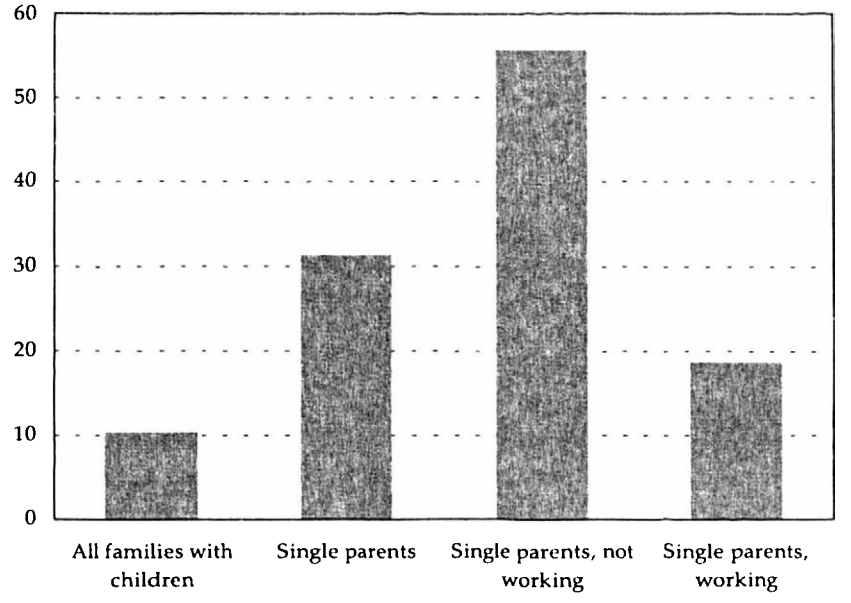
4.2 The influence of labour markets and employment

International comparative poverty studies underline the importance of the factor of 'employment' for the formation and alleviation of poverty risks [e.g. European Commission 2003]; the absence of paid work has been identified as the main cause of poverty among those of working age.

Above, single parents were described as a specific group at risk of poverty. In many countries, however, it is not the fact of living in this family form *per se* that increases the poverty risk, but rather the degree of labour market attachment. Figure

[8] Among these pension parameters is whether benefits are indexed to prices, earnings, or some combination of the two. In order to control expenditures, several OECD countries moved over the 1990s from wage to price indexation, a move which may tend to increase relative poverty among the elderly over time. To offset this effect, some countries have introduced specific measures to protect those more exposed to poverty risks (e.g. the Minimum Income Guarantee in the United Kingdom).

Figure 4. Poverty rates among families with children and single parents with and without employment



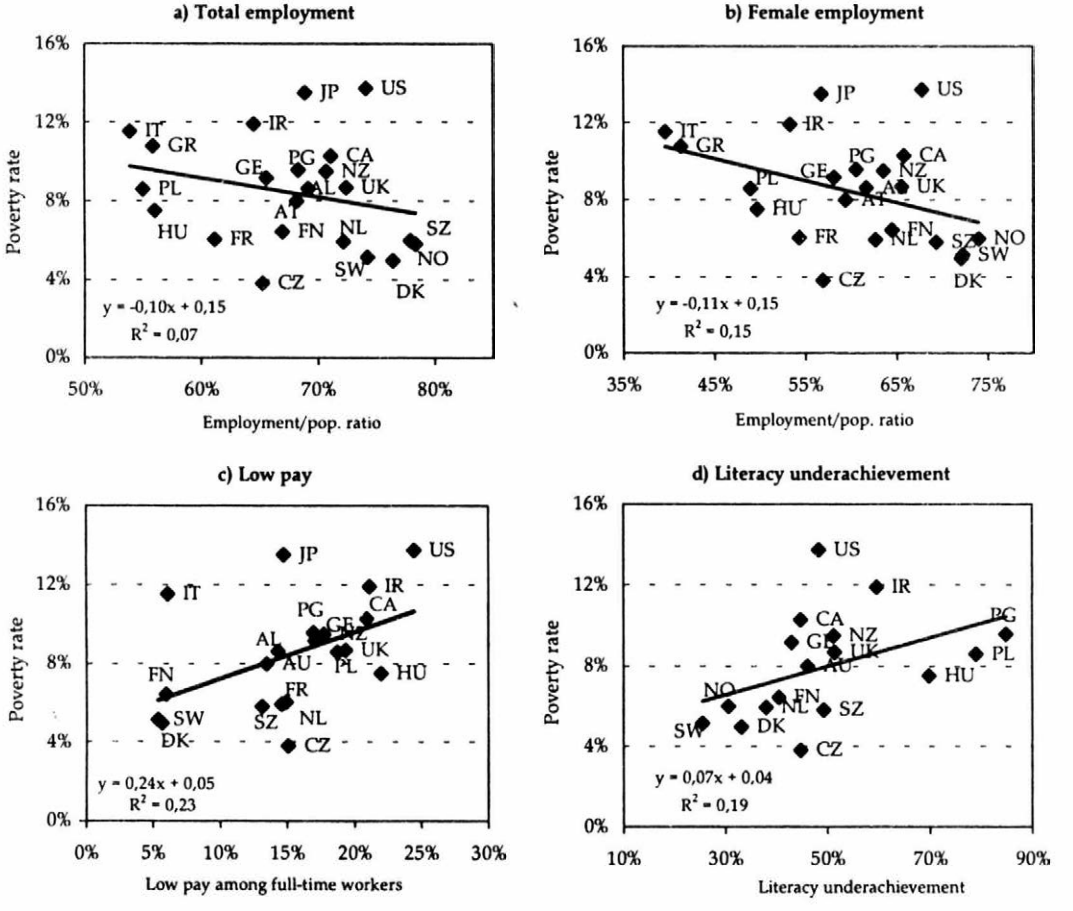
Note: Poverty rates: percentage of persons in households below 50% of total household disposable income.

Source: Calculations from the OECD questionnaire on income distribution indicators [OECD 2004].

4 shows that, on the OECD average, the poverty rate for single parents is three times as high as for all families with children at 31%. Nevertheless, among those single parents who do not have employment, the poverty rate is as high as 56%. Having a job reduces this risk by two-thirds to 18.5%. In fact, in a number of countries, notably the four Nordic countries and Australia, Italy, and Switzerland, the poverty rate among working single parents is not that much different from the overall rate for families with children.

The relationship between labour markets, on the one hand, and poverty, on the other, is crucial for social policies, as higher employment raises the well-being of individuals at greatest risk of social exclusion and poverty. The relationship between employment and income poverty *at the level of disposable income*, however, does not follow such simple patterns. This is because, beyond levels of employment, there is a range of other variables at play at the same time. In addition to the policy variables (public transfers and taxes) discussed above, these include the characteristics of jobs and workers. Figure 5 shows simple correlations between poverty rates among the working-age population and four variables that are good candidates for explaining poverty outcomes in all OECD countries: the level of employment among

Figure 5. Poverty rates among the working-age population and employment, low pay and literacy underachievement



Note: Poverty rates among people of working age: individuals aged 18 to 65. Employment rates of persons aged 16 to 64, from the OECD Labour Force Data. 'Low pay' is the proportion of full-time employees who earn less than two-thirds of the median earnings for all full-time employees: the rates are based on earnings surveys and refer to the mid- to late-1990s, as published in the OECD [2001a] *Society at a Glance.* 'Literacy under-achievement' is the percentage of active persons aged 25 to 65 who score at literacy levels 1 or 2 on the document scale; such low levels are judged by experts as insufficient for performing the elementary tasks necessary for daily living. The rates are based on the International Adult Literacy Survey and refer to years between 1994 and 1998, as published in the OECD [2001b] *Education Policy Analysis.*

Source: OECD 2004

both the total population and among women; the extent of low pay; and literacy under-achievement among the population of working age. Although these factors are partly related to each other (e.g. 'long tails' in the distribution of skills increase the proportion of workers with low pay), Figure 5 suggests some consistent patterns:

- Countries with higher employment to population ratios, particularly for women, have less poverty among the population of working age, but the relationship is weak (Panel A and B). When looking at changes in employment, some of the countries that achieved the strongest gains in employment to population ratios over the most recent years also experienced reductions in poverty rates (e.g. Norway and the Netherlands), although there are several exceptions.
- Poverty rates among the working-age population are higher in countries with a greater incidence of low pay among full-time employees and lower levels of literacy among the adult population (Panel C and D). While the dispersion in country experiences continues to be high, the degree of association with poverty rates is higher for low pay than it is for employment levels.

A range of factors account for the differences among countries in the strength of the relationship between levels of employment and poverty rates.

- First, while higher employment in low-income households will reduce poverty, the opposite may occur when employment growth is concentrated among second-earners in better-off families. In all OECD countries the earnings of spouses are more unequally distributed than the earnings of household heads – as the probability of spouses being employed is higher among households with high income – although this pattern weakened in the second half of the 1990s in the majority of countries.
- Second, there is much variation among countries in the share of the working-age population living in households where no one has a job for a given level of labour force participation at the level of individuals. As a result, despite higher employment to population ratios since the mid-1990s in most OECD countries, the share of persons living in non-working households was broadly stable across the majority of OECD countries, while it increased further in a few countries (Czech Republic, Germany, Hungary and Poland).

4.3 Demographic changes

The trends in government tax and transfer policies and the labour-market trends described above provide most of the information necessary in order to obtain an understanding of the overall picture of income poverty. But a final piece in the puzzle remains to be inserted: changes in the demographic structure of the population.

There are considerable differences between countries and country groups as to the age and family structure of households: in most of the Nordic and the continental European countries and in Japan, children make up around 20% to 25% of the population; in the Anglo-Saxon countries and in Poland, they account for around

25% to 30%, and in Mexico and Turkey the proportion of children in the population is much higher at around 35%. The average household size of the population in some of the Nordic and continental European countries is close to being just two people. The average household size is closer to three in the Southern European countries, Japan and Ireland, and still above four in Mexico and Turkey

At the same time, there have been large changes in the structure of populations in OECD countries. In nearly all countries, the proportion of children in the total population decreased over the last 15 years, on average by around 4 percentage points. It is worth noting that the reductions have been highest in countries with a higher proportion of children in the population. Similarly, the share of young people – those aged 18 to 25 – in the population fell in most countries, on average by 2 percentage points. On the other hand, the proportion of persons aged 65 and over increased in all countries but Sweden, on average by over 2 percentage points.

The changes do not stop here. These fewer children are much more likely to be in households where there is only one adult: the proportion of single-parent families has been increasing, on average from 6% to almost 9%. In the Anglo-Saxon countries (except Canada and Ireland), Germany, and the Nordic countries (except Denmark), between 10% and 17% of those in households with children live in single-parent households. In the continental European countries this figure is just below 10%, and in the Southern European countries, Japan, Mexico and Turkey it is below 5%. Among the working-age population, fewer people live in households without children than in households with children, but the proportion of the former group increased from one-third to over 40% in fifteen years from the mid-1980s to 2000. Furthermore, mainly as a consequence of population aging (but also reflecting an increased preference for living alone among younger age groups), the average household size has also been falling for the last ten to twenty years throughout the OECD area.

Such changes may not sound too significant. In fact, taken together, they amount to a huge change in the structure of the population, in many countries to an extent unprecedented in recent times, outside of war, famine or epidemic. These demographic trends directly affect trends in poverty.[9]

However, the influence that the huge differences in population structure across countries may have on cross-country variations in overall poverty (e.g. higher shares of single parents 'by definition' implying higher overall poverty in a country) is sometimes overstated. Table 3 juxtaposes actually observed poverty rates for the working-age population with re-weighted estimates that assume a 'common' (OECD average) household structure for each country. Column 3 applies a common family structure, in terms of single-adult households with children and without children and two-or-more-adult households with children and without children, while

[9] If older people tend to have less income than younger people, then, as there are more of them in the population, so poverty below a constant or 'absolute' threshold will widen. The effects on relative income poverty are, however, ambiguous: a larger share of lower incomes in the population will lower the poverty threshold, and whether overall relative poverty will increase or decrease depends on the shape of the income distribution.

Table 3. Unweighted and weighted poverty rates for the population living in working-age households

	Unweighted	Weighted with common family structure	Weighted with common work-attachment structure
Australia	9.4	9.2	7.6
Austria	9.4	9.7	9.5
Belgium	6.6	4.6	4.0
Canada	10.9	11.1	14.8
Czech Republic	4.5	4.6	4.5
Denmark	4.1	3.5	4.7
Finland	5.5	4.4	5.2
France	6.4	6.4	5.9
Germany	9.2	9.2	7.0
Greece	10.6	11.3	9.7
Ireland	13.3	14.0	13.7
Italy	12.3	13.1	10.4
Japan	13.2	15.1	15.9
Mexico	19.8	17.9	20.2
Netherlands	6.8	6.3	6.2
New Zealand	11.8	10.6	11.8
Norway	5.3	3.7	4.1
Poland	10.4	10.7	8.3
Portugal	10.9	12.1	13.8
Spain	11.1	12.9	9.8
Sweden	4.7	3.0	4.6
Switzerland	8.2	8.3	8.8
Turkey	15.4	15.3	19.0
United Kingdom	10.9	9.4	9.8
United States	15.9	15.1	19.5

Note: Poverty rates defined with regard to 50% of the median disposable income of the total population. Data refer to the population living in households with a head of working age (18-65). Reweighted poverty rates build on the assumption of an OECD (unweighted) average household structure.

Source: Calculations from the OECD questionnaire on income distribution indicators (OECD 2004).

column 4 applies a common work-attachment structure, in terms of single-adult and two-or-more-adult households and the number of earners. Clearly, it can be seen that assuming an OECD average family structure would in general change poverty rates only slightly, in most countries by less than one percentage point, and in no country by more than two percentage points. In contrast, applying an average work-attachment structure would affect countries' poverty rates more, exceeding changes of two percentage points in one-third of OECD countries. Under both assumptions, the ranking of countries as well as the variation in overall poverty would not decrease.[10] Cross-country differences in poverty rates among the working-age population therefore do not seem to reflect variation in the household structure but are rather to be found within each family and household group.

5. Conclusion

Five 'stylised' facts emerge from the analysis of income poverty in OECD countries above:

- There is wide disparity in the extent of relative income poverty across OECD countries, ranging from 5% or below of the total population in the Czech Republic, Denmark, and Sweden to around 20% in Mexico. Overall trends over the longer term indicate slightly falling poverty rates in the 1970s and part of the 1980s, and slight but steady increases thereafter: in the OECD the poverty rate increased on average by one percentage point between 1985 and 2000.
- Despite such broad overall stability over the long run, major changes occurred in the structure of poverty. Child poverty is slowly but steadily on the rise. A sharp increase in poverty among youths (18 to 25) took place between the mid-1980s and mid-1990s. Conversely, significant declines in the poverty indexes among elderly persons (66 to 75) and the very old (76 and over) have been recorded since the mid-1980s, although at a much lower pace in recent years. Across family types, single parents are by far the highest poverty risk – especially if they do not have employment. Only some of the Nordic countries have succeeded in considerably reducing poverty rates for single parents during the past 15 years.
- Demographic changes have influenced these poverty patterns: the average household size generally decreased, the proportion of children and young people in the population fell, and the fewer children are more likely to live in households where there is only one adult. Nevertheless, the large variation in household structure in OECD countries seems to have only a minor influence on the inter-country differences in poverty levels and trends.
- Government policies play a significant role in accelerating or moderating country-specific trends in income poverty. Taxes and public transfers significantly re-

[10] As a matter of fact, the standard deviation of the poverty rate would increase by one-tenth in the case of a common family structure, and by one-fourth in the case of a common work-attachment structure.

duce market-income poverty, with lower reduction rates in Japan and the United States and higher ones in Belgium, the Czech Republic, Denmark, France, and Sweden. Country differences are especially pronounced in the case of households with children. The effect of taxes and transfers in moderating poverty increased in almost all OECD countries during the 1980s and early 1990s, but slightly declined over the second half of the 1990s.

- Notwithstanding the efforts and effects of tax/transfer policies, employment remains a key factor for escaping the risk of poverty, which only serves to underline the importance of employment-oriented and 'make-work-pay' social policies. In general, countries with higher employment ratios, particularly among women, a lower incidence of low pay, and higher levels of literacy experience less poverty among the working-age population.

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- ***the innovation process and the role of R&D systems***, the institutional settings of the research and development sector, the effectiveness of the systems, collaborative ventures and their role, the applicability of knowledge production and its effects on innovative potential, differences in national innovation policies;
- ***human resources development***, the role of life-long learning in a knowledge-based economy and flexible labour market, new and emerging concepts of adult literacy, key competencies and life skills;
- ***the changing role of universities***, their capacity to adapt to the process of the commodification, massification, and globalisation of tertiary education (institutional reforms and reform of financing), the transformation of universities into centres of innovation and excellence (entrepreneurial universities), the capacity of universities to broaden social participation in tertiary education (structural reforms and systems of student financial aid).

At the plenary session the speakers will elaborate primarily on the vital relationships between various dimensions of competitiveness - innovation potential, human resources, and university reforms. Thus, three parallel workshops will be devoted to the main topics of the conference: the research and development sector, human resources development, and university reforms.

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Who Is Poor in the Czech Republic? The Changing Structure and Faces of Poverty after 1989*

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Abstract: The article provides a summary of evidence on the development of poverty in the Czech Republic since 1989. First, the new sources of poverty after 1989 and the new measures introduced to prevent or combat it are described. Second, the relative ease with which it is possible to leave the labour force and the impact of departures on household income is considered. Third, a variety of measurements that reveal different faces of poverty, comparing so-called objective and subjective indicators, are presented. Fourth, the working poor are examined and compared with the non-working poor. As a comparison of Microcensus data demonstrates, more change occurred in the composition than in the amount of poverty. Before 1989, poverty was caused mainly by demographic factors. In contrast, unemployment became the strongest factor of poverty under the market economy. This largely manifested itself after 1997, when there was a rapid increase in unemployment in the Czech Republic and the numbers for long-term unemployed grew even faster. Simultaneously, the problem of 'the working poor' appeared, but it is far less acute in the Czech Republic than in other EU countries. In conclusion, drawing sociology more into poverty research is stressed as a necessity.
Sociologický časopis/Czech Sociological Review, 2004, Vol. 40, No. 6: 807–833

Under the communist regime, various circumstances meant that poverty remained mostly invisible. First, ideology rendered it taboo, and all manifestations of poverty were deliberately concealed. Second, owing to the general equalisation of living conditions, disparities in income were quite small and the living standard of the majority of the population was not far from the minimum. Third, owing to compulsory employment, there was no poverty caused by labour market failures. In the end, by impoverishing and subordinating the entire population, the regime managed to conceal poor individuals and groups.

Since 1990, poverty issues have become a standard part of the agenda of so-

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cial policy and research [Večerník 1991; Mareš 1999]. In comparison with advanced countries, knowledge in this area continues to be insufficient. An important impetus is the country's accession to the EU, which included it in the Lisbon process, oriented towards strengthening competitiveness and alleviating poverty. *The Joint Memorandum on Social Inclusion in the Czech Republic* [2003] identified the main problems and outlined policies to combat social exclusion. *The National Action Plan on Social Inclusion* [2004] gathered policies in various areas and set the course for 2004–2006.

There are a great many problems related to poverty definition and research. Basically, it is never possible to unambiguously establish the presence of poverty in a society. This is because need is not a state but a relation, which should have some permanence and which has many faces and references. It can be defined relative to a 'standard package' of goods and services, to the average income in society, or to various reference groups of the population, from the outer circle of, say, the most advanced countries, to the inner circle of a neighbourhood or a professional community.

One must distinguish, then, between poverty criteria (set from above) and poverty experience (gathered from below). There is a considerable mismatch between belonging to the category of the poor and really feeling poor. From above, the choice of poverty indicator is never unbiased: "a 'scientific' definition of poverty is a mirage; all definitions of poverty, ultimately, are political" [Barr 1994: 193]. The political status of the definition of poverty is, however, rarely made explicit or debated as such. In analysis, it is quite difficult to differentiate between purely 'academic' research and 'policy-oriented' research.

This article presents some evidence of the development of poverty in the Czech Republic. More change occurred in the composition than in the amount of poverty. While need was far from negligible before 1989, it was mainly caused by demographic factors and primarily affected the elderly and households with a large number of children. In contrast, under the market economy, unemployment became the strongest factor behind income insufficiency and poverty. This largely manifested itself after 1997, when there was a rapid increase in unemployment in the Czech Republic and the numbers of long-term unemployed grew even faster. Simultaneously, the problem of the 'working poor' also appeared.

The article is structured as follows. First, a description is made of the new sources of poverty after 1989 and the new measures introduced to prevent or combat it. Second, consideration is given to the relative ease with which a person can leave the labour force and the impact of these departures on household income. Third, a variety of measurements are presented that show the different faces of poverty, comparing so-called objective and subjective indicators. Fourth, attention is focused on the working poor and they are compared with the non-working poor. The article concludes with a discussion of informal sources and other 'hidden aspects' of the poverty story.

1. New situation, new policies

The labour market that arose after 1989 became a new source of poverty. Unlike the mandatory employment and often life-long loyalty to one firm under the previous regime, in the new conditions many people were laid off, remained unemployed, or were forced to shift to lower paid jobs. In the first period of transition, frictions between labour demand and supply were in most cases resolved – otherwise the majority of job shifts were voluntary or through promotions. Self-employment and entrepreneurship, and new sectors and opportunities attracted active people. However, since 1997, unemployment has surfaced in full force.

From the outset of the transition, the government responded by introducing new measures or by reshaping or administrating old ones. Several measures were implemented to combat declining incomes and the risk of poverty.

Unemployment benefits (officially called 'material support for a jobseeker') were first established in 1990. At that time unemployment benefits were set for twelve months and at the level of 60 percent of the recipient's previous net wage (90 percent if the job loss was due to restructuring). This advantageous arrangement was withdrawn in 1991, and unemployment benefits were then set at the 65 percent level for the first six months and at 60 percent for the rest (70 percent during retraining). In 1992, the entitlement period was shortened to six months only, and unemployment benefits were set at the 60 percent level for the first three months and 50 percent for the rest.

Since October 1999, a job seeker can receive 50 percent of previous earnings during the first three months and 40 percent for the second three months (60 percent during retraining). The ceiling for financial support is higher, at 2.5 times the corresponding subsistence minimum in general (previously 1.5), and 2.8 times for jobseekers in retraining (previously 1.8). The new *Act on Employment* (in effect since October 2004) sets a longer period of unemployment benefits for persons aged 50–55 (9 months), and even longer for persons older than 55 years of age (12 months). For the second three-month period the benefit increases from 40 to 45 percent (50 percent for the first period).

The living minimum serves as the official poverty line, establishing the entitlement to request benefits up to a given level, set according to the size and composition of a household. It was established anew in 1991, but its principles have remained almost intact from the previous regime, i.e. it takes little account of the shared needs of households and of scale economies. Benefits calculated in this way are therefore advantageous to large households and disadvantageous to small families and single persons. Because the share of family expenditures on foodstuffs is declining and the share on housing rising, this imbalance is strengthening.

The minimum wage was first established in the Czech Republic in 1991 and was set at the level of 2000 CZK (53 percent of the average wage). Soon after it was raised to 2200 CZK and then remained frozen until 1996. Its long-term nominal stagnation and real fall was an escape from the dilemma faced by the governing 'liberals', who

Table 1. Wage and benefits levels (CZK monthly and percentages)

Indicator	1990	1992	1994	1996	1998	1999 **	2000 **	2001	2002	2003	1stQ 2004
In CZK monthly:											
Gross average wage	3286	4644	6894	9676	11693	12666	13499	14640	15707	16917	16722
Net average wage	2691	3715	5398	7538	9144	9931	10571	11465	12283	13057	12909
Gross minimum wage	2000	2200	2200	2500	2650	3250 3600	4000 4500	5000	5700	6200	6700
Net minimum wage	x	x	x	x	x	2844 3114	3412 3784	4194	4715	5087	5494
Average unemployment benefit	x	1404	1839	2306	2335	2529	2781	2961	3164	3324	3480
Living minimum of a single adult	x	1700	2160	2890	3430	3430	3770	4100	4100	4100	4100
Living minimum of a family of four***	x	5450	6860	8810	9250	10060	10660	11420	11420	11420	11420
Average pension benefit	1731	2413	3059	4613	5367	5724	5962	6352	6830	7071	7232
Newly granted early pension benefit – by two years	x	x	x	x	5176	5370	5513	5837	5917		
Newly granted early pension benefit – by three years	x	x	x	x	5406	5593	5659	5844	5667		
*Percentages of the net (gross) average wage:**											
Minimum wage	60.9	47.4	31.9	25.8	22.7	25.7 31.3	29.6 42.6	34.2	36.3	36.6	40.0
Average unemployment benefit	x	37.8	34.1	30.6	25.5	25.5	26.3	25.8	25.8	25.5	x
Living minimum of a single adult	x	45.8	40.0	38.3	37.5	34.5	35.7	35.8	33.4	31.4	31.8
Living minimum of a family of four***	x	146.7	127.1	116.9	101.2	101.3	100.8	99.6	93.0	87.5	88.5
Average pension benefit	64.3	65.0	56.7	61.2	58.7	57.6	56.4	55.4	55.6	54.2	56.2
Newly granted early pension benefit – by two years	x	x	x	x	56.6	54.1	52.2	50.9	48.2		
Newly granted early pension benefit – by three years	x	x	x	x	59.1	56.3	53.5	51.0	46.1		
Net minimum wage in % of living minimum of single adult		x	x	x	x	82.9 90.8	90.5 100.4	102.3	115.0	124.1	134.0

* Only the minimum wage is related to gross average wage, all other items are related to the estimated net wage. The estimate is made on family expenditures data by the Ministry of Labour and Social Affairs.

** In those years, the minimum wage was increased twice.

*** Two adults and two children 10–15 years old.

Sources: Statistical Yearbooks of the Czech Republic, Ministry of Labour and Social Affairs.

considered the minimum wage inappropriate for a free market economy, but who had to respect the already ratified international agreements that guaranteed its existence. When the Social Democrats came into office, the minimum wage started to rise again. It was only in January 2001 that it came to exceed the living minimum for a single adult, and it has continued to increase since.

In Table 1 we provide an overview of various minimum levels and their changes over time. The minimum wage has started to improve its relative position, and since January 2004 it has been at the level of 6700 CZK (equal to 40 percent of the average wage). In 2001, it exceeded the amount for the living minimum for a single adult and is currently one-third higher. The replacement rate of the unemployment benefit has been decreasing steadily since it was introduced, and it now represents a mere one-quarter of the average wage. Pension benefits have maintained their relative weight since 2000, at about 55 percent of the average wage.

In fact, the guaranteed minimum wage, unemployment benefits, and the living minimum, together with benefits of state social support scheme and the minimum pension benefits (which is set higher than the living minimum), create quite a solid social safety net, and the Czech system thus ranks among the most advanced in Europe. Despite the fact that its social spending does not reach the relative level of some Western European countries, the poverty rate is among the lowest in the EU25.

The other side of the embracing safety net, protection in the temporary situation of job loss, is its welcoming effect for all those who give up – from the outset or after gathering gloomy experiences in the job search – on re-employment. Then, the state budget suffers from the rise in spending on unemployment and social benefits. There are adverse effects on employers, who suffer as a result of rising wages and related non-wage costs and from the reluctance of employees to take worse jobs. The voices calling for reconstruction of the system towards greater efficiency are getting stronger.

2. Easy exits from the labour market

In order to avoid unemployment status and/or ease the work burden, people – and the most vulnerable in particular – tend to leave precarious or poorly paid employment, either temporarily or permanently. Before 1989, state paternalism was accompanied by compulsory work, and departures from the labour force were regulated by law. Since 1990, job security has been unevenly distributed among the population, in accordance with people's education and skills, local opportunities, and employment availability. Employment behaviour is substantially affected by institutional conditions.

The state has proceeded inconsistently, keeping the newly settled minimum wage and unemployment benefits low, while providing easily accessible and higher social subsistence provisions. At the same time, easy exits from the labour force or employment have persisted or even been supported, such as early retirement. Specific 'coping strategies' are provided by the sick-leave system. In sum, there are a couple of basic methods used (and often misused) in order to get out of the active labour force:

1. *Early retirement* is not as widespread in the Czech Republic as in Hungary and (especially) in Poland, but nonetheless it is facilitated by a relatively favourable

scheme. Two possibilities were introduced by the *Pension Insurance Act* in 1997.[1] Permanently reduced early retirement can be taken by any worker after 25 years of pension insurance contributions, but no earlier than three years before legal retirement age. Temporarily reduced benefits are allowed solely for the long-term unemployed, also after 25 years of pension insurance contributions, but not earlier than two years before the legal retirement age. In either case, early retirees are not permitted to engage in any economic activity before reaching the legal retirement age.

Early retirement became very popular and its share in the number of pensions granted in recent years has grown steadily: 30 percent of all old-age pensions were in the form of early retirement in 1997, 48 percent in 1998, 52 percent in 1999 and nearly 60 percent in 2000 and 2001 (with only a small proportion of temporarily reduced early pensions). Early pension benefits granted in 2001 provided their beneficiaries with 90 percent of the full average pension. The mounting deficit for the pension bill triggered a government effort to alter the design of early retirement to make it less attractive. Consequently the share of early pensions out of all newly allotted pensions fell to 33 percent – which was probably also due to the fact that many of those interested in early retirement had already taken it, anticipating the introduction of stricter rules.

2. *Disability pensions* have been abundantly used and probably also misused. The number of disability pensions only began increasing in the early 1990s and since then it has become stable at 540 000 (17 percent of all pension entitlements). Among all newly granted disability pensions, full pensions prevail: in 2001, 6600 new full disability pensions were granted in comparison with 3900 partial disability pensions. In 2001, the average level of full disability pension benefit was 97 percent of the full retirement benefit, while the partial disability pension benefit amounted to 61 percent. As of 1998, partially disabled persons are also entitled to claim the temporarily reduced early pension benefits.

3. *Sick leave*, though only a temporary exit, is also being used increasingly. While in 1990 the percentage of sick-leave days out of total working time was 4.8 percent, it increased to 6.7 percent in 2001; the average sick leave was 18 days in 1990, but by 2002 it had already reached 31 days. The relaxed (or sometimes even cooperative) attitude on the part of physicians and the minimal control executed by responsible bodies are what facilitate the taking of sick leave, which is used in particular by lower-wage categories to avoid work strain or, even, the risk of being laid off. Recently, the low ceiling of sickness benefits was increased, which makes them more advantageous for middle-wage categories of workers.

4. *Welfare dependency* is a welcome exit for not a large, but nevertheless a significant, category of the population. While among households headed by a person

[1] As the introduction of the main change in the *Pension Insurance Act* – the gradual increase in the retirement age – evolved into a hot political debate and caused widespread aversion among trade unions (a mass demonstration – otherwise exceptional – was organised), the change was compensated with the introduction of easier conditions for early retirement.

aged 55–59 only 25 percent have earned income of less than one-half of the total household income, this percentage steeply rises to 73 percent for the 60–64 age cohort and to 93 percent for the 65–69 cohort. The number of households that have earned income of at least one-quarter of the total household income is only 11 percent in the 60–64 cohort and 8 percent in the 65–69 cohort [*Social Situation of Households* 2001]. This is despite the fact that a later departure into retirement is rewarded with a 1.5 percent benefit increase for each 90 days of work.

Of the population aged 50–64 in 2001, 38.5 percent were already out of the labour force (28 percent of men and 48 percent of women). The main reason for the final separation of the labour force was leaving for retirement after reaching retirement age (45 percent of men and 62 percent of women), disability or sickness (34 percent of men and 16 percent of women), taking early retirement (11 percent of men and 9 percent of women) and reasons on the part of the employer – redundancy, the firm was shut down (7 percent of men and 9 percent of women). Other reasons, such as termination of a fixed-term contract, termination of a person's own business, or personal and family reasons were only cited rarely [*Social Situation of Households* 2001].

Therefore, the crucial task remains of making exits from employment more restricted and weakening their one-way flow by strengthening the incentives that will keep people in their jobs as long as possible or enable them to return to employment. This task rests on the shoulders of state administration and public policy, as well as employers and individuals. The dominant ideology of there being a fixed and early date for terminating working life, supported by a small difference between earned and social income for large sections of the population, must be transformed into motivation towards an open-ended career. One supportive measure to this end would be the removal of earning limits for pensioners.

In a certain sense, this is a legacy of the communist 'premature welfare state' [Kornai 1995: 131]. As work was compulsory for all, no unemployment trap or benefit dependency could appear. The welfare state was rooted in employment that often assumed the character of social security rather than real working tasks. At the same time, the shame attached to unemployment and rent-seeking behaviour, originally rooted in Czech middle-class society, largely disappeared during communist times. The massive abuse of the welfare system has thus since then been viewed as something deserved rather than something shameful.

Under pressure from deficitary public finances, the government is considering benefit reduction and some workfare measures. Specifically, the living minimum is to be lower and flatter, local governments are to have discretion in setting the concrete amount of benefits (acknowledging regional differences), and public works are to be compulsory for the long-term unemployed. The subsistence minimum as a fraction of the living minimum may even be applied to non-cooperative unemployed. Early or temporary exists of the labour force and activity might thus be hindered.

3. The different faces of poverty

Poverty has many aspects and faces. Consequently, there are also many indicators and measurements of poverty. Research on poverty measurement is more than one hundred years old, and it continues to develop. For ten years now the *Comparative Research Programme on Poverty (CROP)*, under the umbrella of the International Social Sciences Council, has been assembling hundreds of researchers around the world and providing information on related projects, events, and publications. The debate over poverty measurement was best summarised in the study 'Income Poverty in Advanced Countries' by M. Jäntti and S. Danziger [Atkinson and Bourguignon 2000: Chapter 6].

Combating poverty and social exclusion has become an important task of the EU. The Lisbon European Council in March 2000 established common objectives on poverty and social exclusion, which were then agreed by the Nice European Council in December 2000. National Action Plans on social inclusion have been prepared by member states and common indicators agreed on for monitoring progress towards common objectives and for encouraging mutual sharing of best experience. Following consideration devoted to the issue by experts in the field, the Laeken European Council in December 2001 endorsed the first set of 18 common statistical indicators for social inclusion [Atkinson, Cantillon, Marlier and Nolan 2002].

Czech statistics and the Czech government begun making use of the so-called Laeken indicators of poverty, along with the standard measurement by living minimum. A comparative analysis of indicators is, however, missing. Therefore, in this study I am continuing in my previous research [Večerník 1996 and 1998], and I also present some new data. In Table 2, the change over time of two basic indicators is displayed – according to the legal poverty line and the EU poverty line. I have also used the survey *Social Conditions of Households*, conducted following the Eurostat recommendations for matching information on persons and households and comparing 'objective' and 'subjective' indicators.

EU poverty. The poverty-risk rate has most recently been set at 60 percent of median equivalent income, where the first adult is calculated as 1.0, each additional adult as 0.5, and each child up to 13 as 0.3. The weight of both children and adults is thus lower than in the implicit equivalence scale used by the Czech living minimum calculation, while the burden of common household costs is higher. The implicit equivalence scale is thus quite flat.

Legal poverty. The Czech living minimum is composed of the amount of money required to meet a person's basic needs and the amount needed to meet household costs. The implicit equivalence scale of the calculation is very steep. Whereas household size elasticity is 0.8 in the calculation of the Czech official poverty line, it is about 0.4 in Belgium, the Netherlands, and Luxembourg, and about 0.5 in France and Spain [Večerník 1996].[2]

[2] Within the restructuring of the benefit system a new calculation is planned, wherein instead of the current two-component calculation (the cumulated costs of each person and household) only costs of persons will be involved, with a separate housing benefit.

Table 2. Households and persons at-risk of poverty by the legal and the EU poverty line and by family status 1988–2002 (percentages)

Family status	Legal poverty line				EU poverty line			
	1988	1992	1996	2002	1988	1992	1996	2002
Households:								
Couple with children	1.1	3.4	2.7	4.4	1.1	3.2	5.8	7.3
One-parent with children	9.7	19.5	16.8	16.4	11.0	17.8	26.4	27.4
One-person household	13.5	1.4	1.0	2.5	45.5	4.0	5.3	9.9
Other	1.8	1.4	0.6	1.3	6.9	1.7	1.7	2.6
Average	4.5	2.7	2.1	3.3	13.7	3.3	5.0	7.2
Persons:								
Couple with children	1.3	3.7	3.2	4.8	1.4	4.0	7.5	8.9
One parent with children	10.7	21.1	18.6	16.8	12.0	21.2	29.8	31.5
One-person household	13.5	1.4	1.0	2.5	48.5	6.0	6.3	13.0
Other	1.5	1.6	0.7	1.4	7.0	2.2	2.1	3.1
Average	2.7	3.4	2.7	3.9	7.5	4.1	6.4	8.3

Note: Legal poverty line: the percentage of households (persons) below the official living minimum.

EU poverty line: the percentage of households (persons) below the 60 percent median equivalent income (if the first adult is computed as 1.0, each other adult as 0.5 and each child as 0.3).

Source: Microcensus 1988, 1992, 1996 and 2002, households files.

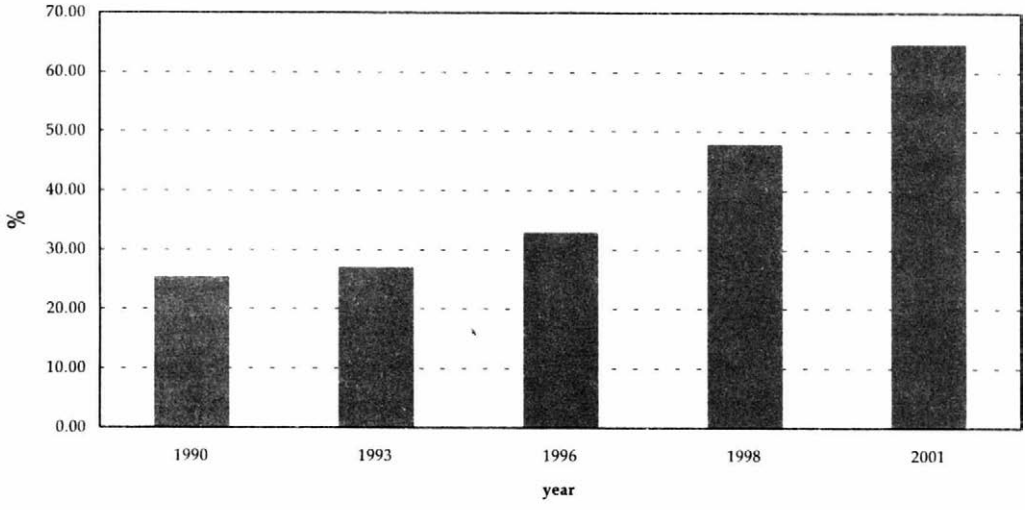
Calculating equivalent income using the same scale for various countries is a process freighted with problems, owing to the different consumption baskets, price structures, and advantages accorded to children or families, since all of these are expressed in different economies of scale. The advantage of a uniform scale, however, lies in its easy application and comparability.

If the EU equivalence scale is used, the poverty head count is twice as high as the living minimum measurement, while the share of pensioner households is even higher.[3] Whereas the percentage of the official poor increases, the percentage of poor according to the EU measurement decreases slightly, and the composition of vulnerable categories changes substantially to the advantage of pensioners and to the disadvantage of families with children.

Subjective poverty. According to many authors, poverty is a feeling and not an objective situation, and families themselves should decide on the adequacy of their means to meet needs. There are various ways of measuring subjective poverty, all of which have their basis in respondents' declarations about their relative deprivation. Most methods were developed by the Dutch-Flemish econometric school and are based on respondents' estimates of the minimum level of income with which it is still possible to 'live decently'.

[3] Formally, no pensioner's household should be among the poor, according to the official threshold. This is because the minimum pension benefits slightly exceed the minimum income according to the living minimum.

Figure 1. Household poverty according to SPL measurement (percentages)



Source: Economic Expectations and Attitudes, December 1990, January 1993, January 1996 and April 1998; *Social Situation of Households 2001*.

One such method is the Subjective Poverty Line (SPL), which is derived from answers to the following question: 'What is the minimum amount of income that your family, in your circumstances, needs to make ends meet?' To derive the income standard, it is assumed that only households that are just able to balance their budget (i.e. that are on the brink of poverty) are able to give a useful estimate of what level of income correlates with a 'normal' standard of living [Deleeck and Van den Bosch 1992].

In the calculation of SPL, logarithms of *Ymin* (income estimated by the Minimum Income Question), *Y* (current income of the household) and *fs* (size of the household) are calculated first. The log-linear relationship is then calculated as

$$lnYmin = ß0 + ß1lnfs + ß2lnY,$$

and the poverty thresholds for each household size are calculated as

$$Ymin = exp\,[(ß0 + ß1lnfs) / (1 - ß2)].$$

In the mid-1990s I compared the Czech data with various poverty rates in seven EU countries and regions [Večerník 1996]. Whereas in socially generous countries, such as Belgium or the Netherlands, objective poverty amounted to 7 percent

of households, and subjective poverty equalled between 10 and 20 percent, in southern countries without a developed social system objective poverty amounted to between 15 and 20 percent and subjective poverty between 30 and 40 percent. In the Czech Republic, objective poverty was the lowest, while subjective poverty was on a level higher than that of Belgium.

Since then subjective poverty has increased steadily and significantly in the Czech Republic. In 1998 it surpassed the level of Greece, and in 2001 it reached an unbelievable 65 percent of the general population (Figure 1). Whereas in the early 1990s the relation of subjective poverty lines to the average household income was about 75 percent, the perceived minimum income was, on average, higher than the declared current income.[4] This suggests that the budget standard perceived by Czechs is more a reflection of the consumption level of advanced Western countries than the conditions in the home country.

There are several possible reasons why these percentages are high. First, the amount of basic needs is exaggerated, as the 'minimum amount' includes an expanding number of goods and services. Second, the declared actual income is underestimated, as people tend to declare only formal income and do not mention informal, secondary, and supplementary income. Third, the method considers the minimum too generously. In fact, there is only a very small reduction of the declared minimum income using the above-mentioned method. Nevertheless, when comparing the figures over time, the central message remains – a rapidly rising 'minimum budget'.

In contrast with the very steep equivalence scale implicit in social legislation, the equivalence scale in people's minds is very flat. This generally reflects the finding by Buhman et al. [1988] regarding the considerable difference between 'programme' and 'subjective' scales. It means that households see themselves much more as economic actors and budgetary units by stressing common needs and costs, while the calculation of the officially established living minimums see them much more as a sum of individual members with only low shared costs. Consequently, households with more members are advantaged and smaller households disadvantaged.

Feeling poor. Unlike the concept of poverty as an income insufficiency, perceived poverty is always a relational characteristic, dependent on the social environment, the uneven pace of real change, and subjective expectations, etc. Low incomes can be purely transitional, without necessarily reflecting financial problems as a poverty status. In the *Economic Expectations and Attitudes* surveys (1990–1998), a question was posed 'Do you feel your household is poor?' which returned the answer 'definitely yes' (out of four variants) in about 8 percent of cases.

[4] I took this surprising result and consulted with one of the founding fathers of the 'subjective poverty school', Bernard M.S. van Praag. He admitted that the method returns quite high figures but was also surprised by the result. Unfortunately, comparative figures are missing, though the Czech survey was designed according to Eurostat recommendations and in anticipation of the new *EU-SILC (EU Statistics on Income and Living Conditions)*.

Table 3. Various measurements of poverty risk by type of household (percentages)

Type of household	EU	Living minimum	SPL	Feel poor	People around are better-off
	1	2	3	4	5
Single, under 65	4.7	2.5	41.7	16.9	9.3
Single, over 65	14.1	5.3	75.5	24.5	10.6
Couple, both under 65	9.6	0.0	98.6	27.0	13.1
Couple, at least one over 65	2.0	0.7	44.6	12.0	7.9
Couple with one child	1.2	0.4	87.1	15.1	10.8
Couple with two children	4.3	2.6	48.5	10.7	6.6
Couple with three or more children	4.9	3.4	66.8	10.6	6.5
Couple with at least one child and other members	13.6	10.3	86.4	22.4	10.3
Single-parent family	6.2	4.5	48.8	16.5	8.2
Other	21.5	16.4	82.1	26.9	12.5
Total	5.8	3.1	59.6	16.0	8.9

Note: While indicators 1–3 are based on the information about households, indicators 4–5 are based on what the person reported. To enable their combination, the household data were assigned to each person. Unlike Table 1, the unit of observation here is an adult person (16 years and older) and thus the data slightly differ.

Source: Social Situation of Households 2001, persons and households files merged.

In 2001, a similar question was posed in the statistical survey on the *Social Situation of Households,* with only three variants (poor, not poor-not rich, rich). The resulting poverty head count is twice as high, whether as a result of the fewer available response variants or the actual worsening of the situation in the view of households over time (column 4 in Table 3). Another question asked whether respondents consider the other people around them as belonging to the same, a higher, or a lower social class (with the variant 'don't know' for the rest). We can assume that if people perceive the people around them as belonging to a higher class, this is an indication of social exclusion (column 5 in Table 3).

We gathered five poverty measurements on one sample of individuals for further analysis, each of which is based on a different kind of information and gives specific results. The question then arises of how far they overlap, or, conversely, how much they address different faces of poverty. The analysis (Table 4) shows that:

- about one-quarter of adult persons are poor according to at least one measurement;
- while Legal and EU poverty fit well together (Pearson correlation coefficient 0.7), all other indicators are weakly associated (Pearson correlation coefficients below 0.2);
- 70 percent of poor adult persons are poor according to one indicator only, which most frequently is the 'feeling poor' indicator;
- about one-fifth of poor adult persons are poor according to two indicators, the most frequent indicators being 'feeling poor' and 'worse-off than people around'.

Table 4. Simultaneous incidence of poverty risk by various measurements (percentages)

Persons living in poor households according to measurement	Percentage of cases	EU 1	Living minimum 2	SPL reduced* 3	Feel poor 4	People around are better-off 5
Not poor by any indicator	75.5	–	–	–	–	–
Poor by one indicator	16.9	5.6	0.1	0.0	62.9	31.4
Poor by two indicators	4.3	37.2	12.7	9.0	76.0	65.6
Poor by three indicators	1.9	100.0	68.4	72.7	45.2	13.5
Poor by four indicators	1.1	100.0	85.6	95.6	93.3	25.6
Poor by five indicators	0.3	100.0	100.0	100.0	100.0	100.0
Total	100.0	5.8	3.1	3.1	16.0	8.9

* The SPL poverty was reduced by a calculation of only 40 percent of the amount required as the minimum income.

Source: Social Situation of Households 2001, persons and households files merged.

Besides income poverty there are various other deprivation indexes based on information on housing and possession of durable goods. One of the most recent attempts applied also to CEE data (the Czech Republic, Hungary and Slovenia) determined four indicators of deprivation (deprived in basic needs, in secondary needs, in accommodation standards, and in subjective income satisfaction). Next, the authors combined deprivation indices with income insufficiency and constructed an index of 'consistent poverty'. Finally they proposed combining the universal European absolute minimum set for non-income items with the national relative income standard [Förster, Tarcali and Till 2002; Förster, Fuchs, Immervoll and Tarcali 2003].

Another attempt was made in the Eurostat survey using national data for the new EU member and candidate countries. For the sake of exploratory analysis, several durable goods were chosen, with special attention given to the 'enforced lack' of durable goods (i.e. when the person wishes to acquire a given item but cannot afford it). This is a preparatory step to establishing the new statistical base of the EU, where a common core set of deprivation items will be collected, including questions on the enforced lack of some durable items, housing deterioration, the capacity to afford holidays or decent food, the capacity to face unexpected financial expenses, arrears on some payments, the ability to keep the home adequately warm, and other indicators [Guio 2004].[5]

The other indicators of satisfaction and income deprivation here return ambiguous results (Table 5). Only about one-half of the persons belonging to poor households measured by monetary indicators (EU, Legal, SPL) actually feel poor, and even fewer are dissatisfied with household finance. If we match indicators ap-

[5] Instead of the European Community Household Panel, stopped after the 2001 wave, a new statistical instrument, the *EU Statistics on Income and Living Conditions (EU-SILC)* is to become the new EU reference source for comparative statistics on income distribution and social exclusion at the European level.

Table 5. Monetary and subjective measurements of poverty risk (percentages)

Persons living in poor households according to measurement	Feel poor 1	People around are better-off 2	1 and 2 together	Dissatisfied *with house-hold finance 3	Dissatisfied *with housing 4	3 and 4 together
1. EU	48.2	10.3	14.2	44.3	15.4	18.8
2. Living minimum	51.5	12.1	16.0	45.6	14.1	13.4
3. SPL reduced**	53.1	14.2	18.9	40.7	14.0	10.8

* We took the lowest variant of answers of six possible (between 'fully satisfied' and 'fully dissatisfied').

** The SPL poverty was reduced by a calculation of only 40 percent of the amount required as the minimum income.

Source: Social Situation of Households 2001, persons and households files merged.

Table 6. 'Getting by' statements correlated with poverty risk by various measurements (percentages)

How the household gets by on its finance	*Frequency*	EU	Living minimum	SPL reduced**	Feel poor	People around are better-off	Dissatisfied* with household finance
with great difficulty	*15.0*	20.5	12.7	13.7	43.4	15.2	41.3
with difficulty	*25.8*	6.3	3.0	5.5	21.8	11.2	12.2
with minor difficulty	*38.3*	2.2	0.9	2.4	8.2	7.1	3.6
rather easily	*15.7*	1.0	0.3	1.5	3.3	5.2	2.0
easily	*4.2*	1.1	0.0	1.4	3.7	3.7	2.6
very easily	*0.9*	0.0	0.0	0.0	2.7	5.3	0.0
Total	*100.0*	5.8	3.1	4.7	16.0	8.9	11.1

* We took the lowest variant of the responses of the six possible responses (between 'completely satisfied' and 'completely dissatisfied').

** The SPL poverty was reduced by a calculation of only 40 percent of the amount required as the minimum income.

Source: Social Situation of Households 2001, persons and households files merged.

proximating social exclusion (columns 1 and 2 in Table 5 combined), only about 15 percent of EU or legally poor are affected. A similar result is returned through a combination of simultaneous dissatisfaction with household finance and housing (columns 3 and 4 in Table 5 combined).

Another measurement exercise is enabled through the use of a common 'subjective poverty' question: 'How does your household get by on the finance you have?' (Table 6). Here, the explanatory potential of the individual poverty measurements appears to be much better. Indeed, 88 percent of people living under the le-

Table 7. Poverty risk by various measurements correlated with various income concepts (correlation coefficients)

Persons living in poor households according to measurement	Total disposable income	*Net market income*	*Net transfer income*	Income per			
				capita	EU equivalent unit	square root unit	living minimum scale
EU	-0.23	-0.21	0.00	-0.22	-0.25	-0.25	-0.01
Living minimum	-0.16	-0.15	0.00	-0.18	-0.19	-0.19	0.07
SPL reduced*	-0.24	-0.22	0.00	-0.16	-0.22	-0.23	-0.18
Feel poor	-0.19	-0.21	0.11	-0.16	-0.19	-0.19	-0.06
People around are better-off	-0.08	-0.10	0.07	-0.06	-0.08	-0.08	-0.04
Dissatisfied with household finance**	-0.13	-0.13	0.03	-0.16	-0.16	-0.15	0.06
Great difficulties getting by on household finance	-0.17	-0.17	0.01	-0.20	-0.21	-0.20	0.07

* The SPL poverty was reduced by a calculation of only 40 percent of the amount required as the minimum income.

** We took the lowest variant of answers of six possible (between 'completely satisfied' and 'completely dissatisfied').

Source: Social Situation of Households 2001, persons and households files merged.

gal poverty line and 82 percent of people living under the EU poverty line declare financial difficulties. A question then arises: why do people who claim to have small financial difficulties feel themselves to be poor? Hardly any reason can be found among the available explanatory variables – the only particular feature we can identify is the positive correlation to transfer income among those households, which could refer to a stigmatising effect arising from social benefits.

Last but not least, we turn to the eternal question: what is the 'best' income indicator for measuring the welfare of households? There are numerous variants of ways to adjust disposable household income to the size and composition of a family, and therefore the scholarly debate over equivalence scales has lasted for decades. Here, we can test empirically which income indicators best fit one or another of the methods of poverty measurement (Table 7). Surprisingly, the differences between the three most frequently used indicators – income per capita, per EU (modified OECD) equivalence unit, and per square root unit – are almost negligible. So, they can be substituted for one another. The EU poverty indicator exhibits the strongest association with the most income indicators.

4. Preventing poverty by redistribution or by employment

As we have demonstrated, what occurred after 1989 was an important shift away from 'old poverty', which was produced by specific stages in the life cycle (that of the elderly in particular), towards 'new poverty', resulting from labour market fail-

ures. In income terms, while poverty previously referred to insufficient transfer income, currently an important source of poverty – if not increasingly the main one – is low earnings. This also has consequences for the politics of poverty alleviation – instead of the standard channels of income equalisation through redistribution, what is necessary is the introduction of better income packaging through employment participation.

Redistribution through taxes and transfers probably remains the main tool for alleviating poverty anyway. As a comparison of selected OECD countries showed, more than one-third of the population in some countries would, hypothetically, be living in poverty if there were no redistribution. In the Czech Republic the figure would be one-fifth, given the still small gap between low incomes and the average. This is similar to the situation in other countries, such as Germany, the Netherlands, and Denmark, where wage bargaining takes place, which has an equalising effect on the distribution of market income. State redistribution generally reduces poverty by 5–15 percent; the Czech figure is the lowest [Förster 2000; Večerník 2002].

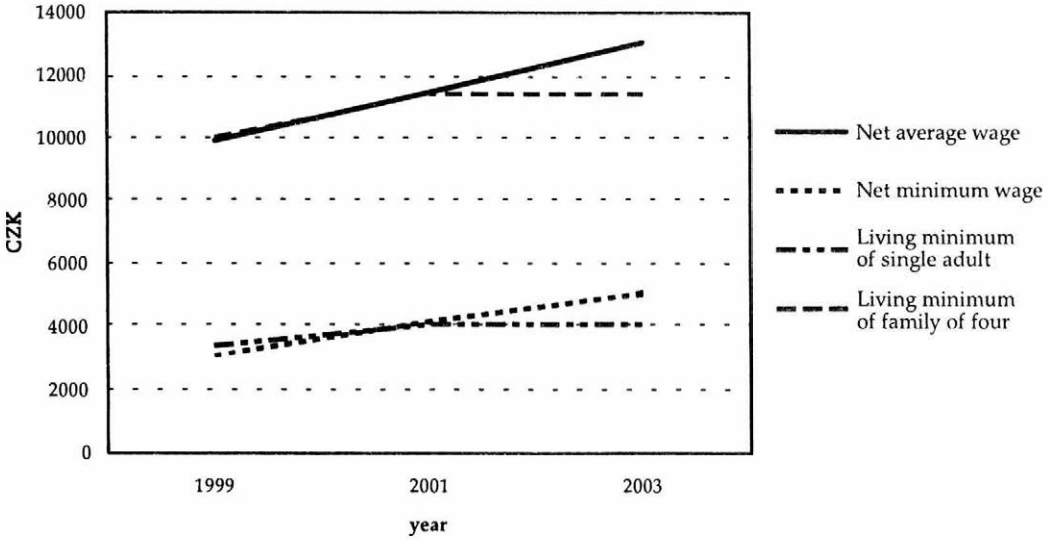
The transfer of money is only a temporarily efficient measure, as no new resources are generated and the work motivation of people eventually declines owing to their reliance on state support. As the dependency rate has risen steadily in advanced countries, the effort has been to reduce it and to 'make work pay'. It is necessary to place the emphasis on activation policies, i.e. making social benefits depend on the activity of the unemployed (searching for a job, training and re-training, taking temporary jobs). Firms also need to become more interested in job creation and retention. "Employment should be financially rewarding for workers, but it also needs to be affordable for employers" [OECD 2003: 114].

Adjustments to both the supply and demand sides of support for employment are also a concern for the Czech Republic. In terms of net replacement rates the country ranks among the most generous European countries. The net replacement rate of wages by social benefits is as high as in the most generous European countries, where social benefits can fully replace the average earnings of a production worker with a family [OECD 2004]. Despite the fact that the differences between average wage and subsistence benefits have become smaller (see Table 1), the gap between the guaranteed social minimum and wages of the less skilled workers have created a relatively inviting poverty trap, which has diminished in recent years as the living minimum has frozen (Figure 2).[6]

Given the quite generous social security scheme, the reservation wage of the long-term unemployed remains close to the economy's average wage. The problem is that the bulk of the long-term unemployed suffer from low qualifications and poor employability. This state of affairs is mainly advantageous for Roma families, where the number of children is usually high and employability low. Furthermore, this trap is similarly appealing to rural households, where living costs are low due

[6] The living minimum has remained stable because of very low inflation. The legal conditions for its increase have thus not been met.

Figure 2. Wage and benefits levels (CZK monthly)



to considerable income in kind, while expenditures connected with employment are high due to greater transportation costs.

Minimum wage. A simple remedy is to administratively hold wages above the level of social benefits. In 1999 the government began making an effort to resolve the inconsistency between a low minimum wage and higher subsistence benefits by setting the minimum wage higher. By January 2001 the dominance of the minimum wage over the subsistence minimum for a single person had been achieved, and this has continued even further (see Table 1). The motivational function of the minimum wage is, however, questionable, on both the supply and the demand sides of labour.

On the supply side, and taking into account the circumstances of the formal economy alone, the difference between low wages and welfare payments are still not a sufficient stimulus when all the costs related to work, including its pain and strain, are taken into account. Despite the fact that the relative level of the minimum wage is currently 34 percentage points above the living minimum for a single person, each family headed by a minimum-wage earner needs contributions through social benefits, unless more active earners are present.

On the demand side, this has also has created a series of adverse effects: it raises the costs of unskilled work above the market price. As a result, employers are reluctant to hire less-skilled workers and try to replace them with technology or, more often, undemanding illegal workers (usually Ukrainians). Moreover, the minimum wage is frequently declared as the official payment of employees who are compensated by employers with unregistered remuneration, too, particularly in the services and catering sectors.

As there are no statistics for minimum wage recipients (wage surveys do not cover firms with less than 20 employees, which is where the minimum wage is most often applied), there is room for speculation on its real impact. Estimates refer to about 1–2 percent of employees, but in fact probably no one works for such a low amount. Once the amount increases substantially, payroll tax rises, too, which has an adverse effect on formal employment: either employers maintain the job but as fully informal, or they reduce or cease the activity and dismiss the employee altogether.

According to a study based on individual data in France, raising the minimum wage has a clearly negative effect on the employment of low-paid workers. With a rise of 10 percent, the probability of a male employee losing his job increases by 13 percent, and by 10 percent for a female employee. While the effect was zero for young workers (up to 25 years), it increased significantly for older workers [Kramarz and Margolis 1999].

The fact that an increase in the minimum wage could have an adverse effect on employment was also demonstrated in a study on Hungary. Kertesi and Köllö [2004] concluded from their empirical analysis that the Hungarian decision to increase the minimum wage by 57 percent in 2001 represented a loss of employment opportunities. Although the situation in large firms remained the same, the sector of small firms lost about 3 percent of its jobs in less than a year, while the job retention and job finding potential of low-wage workers deteriorated. Depressed regions were more severely affected despite possessing more favourable conditions for achieving a positive effect.

Activation policies. The direct opposite to administrative intervention in the labour market is the direction that emphasises the enhancement of work flexibility through the development of broad skills and multitask occupations, flexible contracts and hours, and the adaptability of the workplace and related commuting or migration. Unlike the lively debate that has been taking place on workfare and other labour activation measures in Western Europe [Lind and Hornemann Möller 1999], there has not yet been much discussion about the flexibility of the labour force in the Czech Republic.

The government's opinion has only recently changed. The Ministry of Labour and Social Affairs estimates that approximately 140 000 people prefer welfare status over employment activity. The Labour Minister has declared a readiness to take any measure aimed at ensuring benefits are better targeted and abuses minimised. A good example of this is the recent restrictions on sickness benefits, which has led to their significant reduction. Other restrictions are in the pipeline.

But the current situation is rather one of ambivalence. On the one hand, the rules for receiving unemployment benefits are strict. Any person who refuses to take a suitable job or undergo a medical examination, or who refuses to cooperate with the labour office (attending regular consultations or complying with the conditions of the Individual Action Plan) must be de-registered. On the other hand, the enforcement of rules is weak and informal avenues are frequently employed. There

Table 8. Factors of poverty risk by various measurements (standardised regression coefficients)

Persons living in poor households according to measurement	Number of active earners	Number of children	Number of unemployed	Education of the household head	Labour income	Pension benefits	Other social benefits	R^2
EU	-0.13	0.09	0.21	-0.04	-0.21	-0.20	-0.07	0.14
Living minimum	-0.05	0.15	0.24	*-0.02*	-0.17	-0.12	-0.05	0.11
SPL reduced*	-0.26	*-0.02*	0.09	-0.07	-0.12	-0.25	-0.11	0.11
Feel poor	-0.07	*-0.02*	0.13	-0.09	-0.14	-0.08	0.08	0.09
People around are better-off	-0.05	*0.00*	*0.01*	-0.05	-0.05	*-0.00*	0.03	0.02

Note: Regression results are only preliminary as all explanatory variables were included as ordinal variables.

All coefficients are significant at the 0.000 level except those in italics.

* The SPL poverty was reduced by a calculation of only 40 percent of the amount required as the minimum income.

Source: Social Situation of Households 2001, persons and households files merged.

are various practices in use that make it possible to receive benefits and work informally at the same time.[7]

The system needs to be restructured. *The Conception of Public Finance Reform* (June 2003) requires benefits to be better targeted. It proposes withdrawing the social allowance and has re-set the housing allowance. It criticises the fact that under the new administrative arrangements poverty relief benefits are paid by local authorities, which take no interest in efficiency measures. They receive relevant funds from the state, but otherwise have no capacity to consider individual cases, as the current *Act on Material Need* prescribes. Systemic and organisational changes regarding the division of tasks between the state and the localities are thus necessary.

The main task, however, is to alleviate poverty by means of redistribution (transfer income) to a lesser extent, and instead to do more to prevent it by means employment (earned income). In other words, keep redistribution to tackle the 'old' poverty (derived from the life cycle) and do the maximum to reduce the 'new' poverty (induced by the labour market). Analysis should respond to such questions as what the relative impact of various factors on poverty is and how employment and earned income affect vulnerability. A specific issue is the trapping effect that the actual benefits/wages replacement rate has on people's behaviour.

[7] Moreover, it has received new legal encouragement - e.g. the new *Act on Employment* (in effect since October 2004) introduces the possibility of engaging in paid activity while receiving unemployment benefits (up to half the minimum wage). Therefore, benefit recipients can easily combine an official part-time job with unofficial work paid in cash, with no chance of any checks.

Table 9. Poverty risk among non-pensioner households by the number of active earners, children and unemployed persons (percentages)

Persons living in poor households according to measurement	None	Number of active earners							
		One				Two or more			
		No or one child		Two or more children		No or one child		Two or more children	
		No UN	UN	No UN	UN	No UN	UN	No UN	UN
EU	46.6	5.5	14.2	9.5	30.8	0.9	5.6	2.5	0.0
Living minimum	33.2	1.9	7.7	7.0	26.7	0.5	3.0	1.2	0.0
SPL reduced*	36.4	4.3	6.0	4.4	20.0	0.3	0.7	0.6	0.0
Feel poor	52.4	12.3	36.8	15.3	29.5	8.9	19.1	9.1	8.7
People around are better-off	13.8	7.9	16.4	10.5	8.6	5.9	4.9	6.7	4.3

UN=unemployed persons.

Note: Only households with no pensioner are included.

Source: Social Situation of Households 2001, persons and households file merged.

In Table 8, individual measurements of poverty are regressed to various characteristics of households and/or adult persons. The explanatory power of household characteristics is evidently quite weak; altogether they explain only about 10 percent of the variance, with the exception of EU poverty (14 percent variance explained). The age of the head of the household and the size of the locality were excluded from the final analysis as having only negligible relevance. The strongest predictors are the numbers of unemployed, active earners, and dependent children.

A more specific look into the exposure of households of non-pensioners to poverty, based on those three main factors, is provided in Table 9. Here we find three interesting results:

- unemployment is the dominant factor behind poverty in its manifold profiles, even if family income is above the living minimum and the family burden is low;
- unemployment together with the burden of a family (two or more children) makes people poor according to all measurements;
- feeling poor produces the greatest differences with regard to other poverty measurements in almost all categories of households.

Another set of results stems from the inspection of income sources through a simple division between labour income and transfer income among non-pensioner households, as indicated in Table 10:

- while monetary measurements identify households where labour and transfer income are more or less equal, the subjectively poor are much more often people who live primarily off of work;
- the poor according to monetary measurements receive one-fifth of the labour income of the non-poor and between 2 and 2.5 times more transfer income;

Table 10. Income sources among non-pensioner, at-risk of poverty households and their distance from the non-poor (percentages)

Persons living in poor households according to measurement	Composition of household income			Income of the poor in % of non-poor		
	Labour income	Social benefits	Total	Labour income	Social benefits	Total
EU	57.8	40.4	100.0	22.2	229.9	34.8
Living minimum	52.0	45.7	100.0	19.6	246.4	34.1
SPL reduced*	47.3	49.7	100.0	14.8	219.2	28.3
Feel poor	79.7	17.8	100.0	59.1	211.9	67.7
People around are better-off	86.4	10.6	100.0	79.4	133.6	82.9

Note: Only households with no pensioner are included.

Source: Social Situation of Households 2001, persons and households files merged.

Table 11. Income per equivalent unit and poverty risk by legal and EU poverty line (percentages)

Number of children	Income gap*			Legal poverty percentage			EU poverty percentage		
	UN	First 5%	Second 5%	UN	First 5%	Second 5%	UN	First 5%	Second 5%
No	32.0	20.4	15.4	10.1	0.0	1.2	25.0	6.4	1.8
One	43.8	30.3	26.8	23.7	5.3	4.3	38.8	16.0	11.1
Two	46.8	32.5	29.3	29.4	3.8	7.3	45.5	5.2	7.3
Three	54.8	37.7	32.5	32.3	14.4	0.0	51.7	19.0	0.0
Total	39.5	25.9	20.8	18.9	2.6	3.0	34.4	8.9	4.9

Note: Only adult persons employees or the unemployed are included. The equivalent unit is computed as in EU poverty: the first adult is calculated as 1.0, each additional adult as 0.5, and each child up to 13 as 0.3.

UN = unemployed persons

First 5% = employees with earnings in the 1st vintile of the distribution of earnings.

Second 5% = employees with earnings in the 2nd vintile of the distribution of earnings.

* The overall average (persons in the labour force) of the income per equivalent unit minus the corresponding income in the category.

Source: Microcensus 2002, persons and households files merged.

- the total income of the poor by monetary measurements is only one-third of the income of non-poor households; however, it is much higher in the case of subjective measurements.

Microcensus 2002 provides another look at the vulnerability of low-wage categories in comparison with the unemployed. Unlike the *Social Situation of Households* survey, where only data on household income are available, Microcensus provides detailed information also about personal income. Thus we can define individuals ac-

Table 12. Distribution of poverty risk among the unemployed, low-wage earners, and other employed persons (percentages)

Number of children	Legal poverty percentage					EU poverty percentage				
	UN	First 5%	Second 5%	All other	Total	UN	First 5%	Second 5%	All other	Total
No	20.0	0.0	1.1	1.4	22.5	25.2	2.7	0.8	2.5	31.2
One	27.9	1.9	1.5	4.2	35.5	23.3	2.9	2.0	4.8	33.0
Two	24.9	1.2	2.2	3.1	31.4	19.6	0.8	1.1	5.9	27.5
Three	7.1	1.0	0.0	2.5	10.5	5.9	0.7	0.0	1.8	8.3
Total	79.9	4.2	4.7	11.2	100.0	74.0	7.1	3.9	15.0	100.0

See the notes below Table 11.

Source: Microcensus 2002, persons and households file merged.

cording their personal earnings and ascribe to them household characteristics such as equivalent income or poverty exposure. In Table 11, the unemployed with employees are compared with a wage within the first or second vintile (each 5 percent of income receivers) of the distribution of earnings. In sum, this is the bottom decile of active earners that could be most exposed to poverty.[8] The results indicate the following:

- income gaps between the unemployed and the first two vintiles of the employed are considerable – 15 and 20 percent on average; the gaps increase with the number of children;
- near one-fifth (in the case of legal poverty) and more than one-third (in the case of EU poverty) of the unemployed are poor in comparison with the much lower figures among the low-wage employed – their poverty rates do not fall away from the national averages;
- while poverty rises considerably and monotonously by the number of children in the case of the unemployed, this is not necessarily the case for low-wage employees.

Finally, we can observe the degree of dispersion of legal poverty and the risk of poverty among the most vulnerable groups, i.e. the unemployed and the lowest two vintiles of employees. In Table 12, the percentages of the total of those in the labour force (i.e. not including the self-employed or non-active persons) are displayed and show the following:

- 85–90 percent of poor employees or the unemployed are concentrated in the three categories and 75–80 percent in the sole category of the unemployed;

[8] This definition of low-paid workers is stricter than the usual definition used by the OECD, which sets the threshold at two-thirds of the earnings median. Instead of 10 percent as in our calculation, low-paid workers would make up 15 percent in the Czech Republic, a figure thus located in the middle of the developed OECD countries (OECD 2001).

- regarding the number of children, families with three or more children represent only a very small portion of the poverty stock due to their minor occurrence among the population; in contrast, the unemployed living in childless households make up 20–25 percent;
- when the two criteria are combined, the change to the poverty stock differs only slightly in relation to poverty measurement: according to the legal poverty line, mostly one and two-child families are included here; according to the EU poverty line, childless households are also important.

In this analysis, we left out self-employed persons. The reason is that we believe they tend to underestimate their actual income even more than employees do, which makes the results less reliable and not comparable. In fact, more of the self-employed than employees fall below the poverty lines, whether the legal or EU measurement. This otherwise corresponds to EU statistics, where a risk of poverty is reported by 6 percent of employees, 14 percent of the self-employed, and 39 percent of unemployed persons, as the EU average (without Greece). In Portugal and Spain, but also Austria and Sweden, the gap is even greater [*Working Poor* 2004]. Comparative data for the Czech Republic return 2 percent for employees, 6 percent for the self-employed and 34 percent for the unemployed.[9]

There are, then, not many working poor in the country and the risk of poverty is much higher among unemployed persons than among low-wage recipients. The gap between percentages of non-working and working poor is also much larger in comparison with EU countries. There are at least two reasons for this: wage disparities increased considerably after 1989, but the relative position of lowest categories was maintained [Večerník 2001]; and unemployment benefits are quite low, even in comparison with low wages and also with the social benefits from state social support. However, one must profess some doubts about the data, given the fact that thus far supplementary earnings to unemployment benefits have been forbidden. Whether or not they actually exist, they have certainly never been declared.

5. Conclusion

Poverty is a multi-faceted and multi-dimensional phenomenon, which cannot be described with one indicator but only through a bundle of them. Here, I have surveyed poverty in the Czech Republic through four alternative indications. While legal poverty and the standard EU indicators report poverty at about 3–7 percent of households, the declaration of perceived poverty is established at 16 percent of households, while the Subjective Poverty Line (SPL) returns an immense poverty rate that is close to 60 percent.

In monetary poverty (i.e. the legal and the EU measurement), the Czech Republic is at one-half of the EU-15 average and close to the EU countries with the

[9] Using the official poverty line, the figures are halved in each case.

most generous social systems, such as Belgium, the Netherlands, or the Scandinavian countries. In comparison with the other new EU member countries the advantage is even greater: the figure for Hungary is 10 percent, for Poland 15 percent, for the Baltic countries between 15 and 20 percent, and for Slovakia even slightly above 20 percent [Guio 2004].

While so many countries saw a rapid increase in poverty during the transition, monetary poverty has changed its face rather than its rate in the Czech Republic. Although before 1990 poverty affected mostly the elderly (single-pensioner households), their share in the figure has sunk close to zero according to the legal measurement or to one-quarter of the original figure in the EU scale. Instead, the percentage of poor families has quadrupled and the percentage of single-parent families has also increased significantly. Simply put, the social security system protects better and more reliably against poverty than the labour market.

In subjective terms the situation is different. There are people of active age, even working, who feel poor, despite their decent income. The reason for this could be either the extraordinary expenditures of the family budget – connected with new housing or equipment, adolescent children's studies, etc. – or, at the opposite end, a sudden fall in income not below the poverty line but below the level adequate to meet set requirements. In contrast, one-half of people considered poor according to the legal or EU measurement do not feel subjectively poor, which means that income insufficiency is not necessarily perceived in terms of poverty.

Evidently the main source of poverty in the Czech Republic – as elsewhere in advanced countries – is unemployment. The labour market is thus the main battlefield in this area. It clearly means that all possible strategies of activation and making work pay should be put forward, while simultaneously tightening the channels to social benefits and conditioning corresponding entitlements. This is the master plan recommended by the EU, the OECD, and other organisations, and applied in the most advanced Western countries in various ways. The recent plans of the Czech government indicate that future efforts are moving in this direction.

Despite satisfactory figures on poverty, we should bear in mind that the transition itself exposed people to the threat of poverty. Although poverty in the narrow sense remains limited, vulnerability to poverty is still high, and people are sometimes forced to mobilise various measures in order to avoid serious financial problems, some of which are on the brink of 'acceptable behaviour'. Some households do not pay rent, many families do not modernise their apartments, most of them severely economise even on basic consumption. The practices of informal and self-help activities developed during the communist period also surfaced during the transition.

A massive surge in social exclusion is not likely. Poverty remains mostly an economic characteristic rather than a social stratification category. Little social exclusion has been encountered in the Czech Republic so far, unlike ethnic and lifestyle-related exclusion, which affect the Roma population and especially Roma newcomers from Slovakia. Their non-adherence to common work habits and their spe-

cific way of life precludes acceptance by the majority population. At the same time, the problem of 'imported exclusion' has also emerged, specifically with regard to immigrants from the former USSR and the Balkan countries.

In any case, what is positive is that poverty has become a public problem. The social inclusion process, developed by the EU, is a big challenge for tackling and monitoring poverty. In view of this, Czech poverty research still suffers from several problems:

First, it is not easy to provide current representative data on poverty owing to rapid changes in income composition and distribution. Earnings, household incomes, consumption, and employment status of individual family members are monitored simultaneously only in the *Family Expenditures Surveys*, which are not however representative. The Microcensus surveys, which provide the most complex source of information, have become only occasional – while the usual time interval between individual surveys was four years, it recently changed to six years.

Second, poverty is a minority problem after all, and it moreover comprises various specific types. There are various reasons why large-scale surveys cannot portray the nuances of poverty: the sample size, the coverage of lowest-status and minority groups and of the population living in institutions.[10] Qualitative sociological and anthropological methods, focusing on research and participatory observation concerning marginalised or vulnerable groups, are needed here.

Third, poverty is always relative and subjective in the end. Not only poverty itself, but also the context is thus important. Not only the objective circumstances but also the 'soft' public climate matter in its perception and for the endorsement of policies for its alleviation. This is related to such terms as 'social justice', 'social equality' and 'equal chances', and newly also 'social cohesion' and 'social inclusion'. The internal consistency and the external legitimacy of these terms might significantly ease the inclusion process.

Although every step beyond elementary statistics produces immense problems of data availability and cross-national comparability, bringing more sociology into poverty research makes the picture more realistic. This also involves getting more information 'from below' about the real functioning of institutions in the economic behaviour of people – such as the minimum wage, state social support, and social assistance benefits. Participatory observation is the main tool for distinguishing between the poor who are really in need and those who are not, and for revealing the real coping strategies of people.

With regard to indicators, we should also think about indicators other than 'performance' or 'output'. For policies, the relationship between 'input' and 'output'

[10] Let us note the fact that statistical income surveys are collected using even smaller samples, decreased from 2 percent to 0.25 of the targeted (but not reached) households. Although results are adjusted with various procedures, the basic bias – the missing extremes of income distribution – can hardly be rectified. Regarding coverage, the Roma population – and its lowest strata in particular – is probably heavily underestimated in statistical surveys.

indicators is crucial, i.e. relationship between costs and results, as it measures the efficiency of the process. Such a comparison can provide different results depending on the temporal perspective: short-term success in alleviating poverty by transfers can turn into failure in the long run, if welfare dependency is produced by the original policy. What matters in the end is real empowerment through skills and self-reliance – values that are not easy to catch and measure.

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Economic Expectations and Attitudes (EEA)

These surveys of the Czechoslovak and later only the Czech population started in May 1990 and were conducted biannually in 1990–1992 and annually in the following years (1993–1998). The samples include adults selected by a two-step quota sampling procedure, whereby the region and size of the locality were defined in the first step, and gender, age and education in the second. The data was collected by the Centre for Empirical Research STEM.

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Metropolitan Areas in the Czech Republic - Definitions, Basic Characteristics, Patterns of Suburbanisation and Their Impact on Political Behaviour

Tomáš Kostelecký, Daniel Čermák

This study is based on the first stage of research on political change in metropolitan areas in the Czech Republic, conducted within the framework of the International Metropolitan Observatory Project (IMO). In the first part of the study, the authors examine how metropolitan areas are defined. Given that there is currently no official definition of metropolitan areas in the Czech Republic, criteria for their delineation were developed on the basis of existing definitions of metropolitan areas in other countries participating in the IMO project and with the use of available data. The application of these criteria to the Czech Republic produced a provisional delineation of four metropolitan areas within the country, centred on the cities of Prague, Brno, Pilsen, and Ostrava. The basic characteristics of these four metropolitan areas are outlined in the second part of the study, including data on populations and population density, migration patterns, housing development, and basic data on spatial differences in social structures. Special attention is devoted to the process of suburbanisation as it evolved in the post-communist period, and patterns of the process are compared with the 'typical' North American model. The authors conclude the paper with a study of selected aspects of political behaviour in relation to socio-spatial changes in the metropolitan areas.

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Re-Inventing Karl Polanyi: On the Contradictory Interpretations of Social Protectionism

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Abstract: The ideas of Karl Polanyi's *The Great Transformation* have often been referred to in the recent debates that have emerged as a reaction to the rise of neo-liberal policies. This paper deals with contradictory interpretations of the notion of social protectionism in the work of Karl Polanyi. There are two opposing interpretations distinguished here. The first interprets social protectionism as a balancing principle of economic liberalism. The second understands social protectionism as a part of market pathology. In order to assess the validity of competing interpretations, the author puts forth an account of social protectionism in the context of Polanyi's theory of the economy and society. The author concludes that the popular notion of social protectionism as a balancing principle of economic liberalism does not correspond to Polanyi's theory. In addition, the author offers a skeptical commentary on the utility of Polanyi for understanding social protectionism in social analysis.
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1. Introduction: On the contemporary relevance of Karl Polanyi**

Although written in the early 1940s, the popularity and relevance of Karl Polanyi's *The Great Transformation* [1944/1957] has grown in the last two decades.[1] There are two reasons for this upsurge in Polanyi's popularity: first, the emergence of neo-liberal ideology and the globalisation debate, and second, the dissolution of state socialism in East-Central and Eastern Europe and the ensuing post-communist transformation.[2]

There is an analogy between these events and the development that caused the civilisation crisis described in *The Great Transformation.* At both moments in his-

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[1] Karl Polanyi (1886–1964) was an economic historian of Hungarian origin. For biographical details, see, for instance, Humphreys [1969].

[2] This is not to say that Polanyi was ignored or unknown before [cf. Granovetter 1985; Konrad and Szelényi 1979; Szelényi 1978].

tory, social reality was shaped by the influential ideas of a self-regulating market and the ideology of market liberalism. In both these periods, the movement toward allegedly self-regulating markets was accompanied by a counter-movement toward protectionism. If this analogy is adequate, and I believe that to a certain extent it is, we might be able to learn a good deal from Polanyi's analysis: it can infuse the way we understand recent social reality and think about the economy and society with original stimuli. But, unfortunately and surprisingly, Polanyi's rediscovery remains widely ignored in the Czech social sciences. This paper attempts to bring Polanyi back into Czech sociological awareness by dealing with a contradictory interpretation of one of the basic messages conveyed in *The Great Transformation.*

In his works, Polanyi described the profound changes Western societies experienced in the 18th and 19th centuries and the evil consequences that were inevitably brought about by them. 'Western' societies were radically altered by the institutionalisation of the self-regulating market. This change was imposed under an ideology of *laissez-faire* liberalism. As Polanyi argues, the concept of a self-regulating market was a utopia, and the attempt to achieve it – the effort to organise society on the basis of *laissez-faire* liberalism – inevitably led to social responses aimed at protecting society from the market. Nevertheless, this development ushered in the catastrophic events of the first half of the 20th century.

In the 1980s, the ideas of *laissez-faire* liberalism were revived, this time under the label of neoclassical economics. Neo-liberal politicians and economists had a fundamental influence on world politics. They challenged the social protectionist measures that were designed to protect society against the market after the Second World War. Furthermore, neo-liberal ideology drove the effort towards deregulation and underpinned the process of economic globalisation. Critics of neo-liberalist policy and globalisation perceive this shift as a return to the market-utopia ideology that was analysed and criticised by Polanyi. *The Great Transformation* was hence dusted off and was used as an analytical tool for grasping the global economy at the beginning of the 21st century and as an ideological weapon in the fight against global neo-liberalism [cf. Block and Somers 2003; Silver and Arrighi 2003].

The post-socialist transformation of the 1990s took place in the atmosphere of neo-liberal enthusiasm, which is what shaped the post-communist transformation of the new democracies [cf. Gowan 1995, 1996; Lloyd 1996]. As two critics of neo-liberalism remarked, "[t]he Eastern Europeans have been unlucky with the timing of change" [Bryant and Mokrzycki 1994: 6]. The policy makers of the post-communist transformation embraced neo-liberal ideas quite enthusiastically and thoroughly. Therefore, Polanyi's account offers lessons and perspectives of relevance to the situation in the post-socialist East-Central European states, too.

As mentioned above, the conclusions in *The Great Transformation* could be very illuminating, not only theoretically, but also for the assessment and formation of policy. The problem is that there is a fundamental dispute over the interpretation of a salient aspect of Polanyi's account. The disagreement relates to the understanding

of the role of social protectionism[3] in the market economy and its relation to the disastrous events of the 1930s. The way of interpreting the role of social protectionism in Polanyi's theory has crucial consequences for the application of this theory in current social reality.

This article focuses on the concept of social protectionism in the work of Karl Polanyi and its recent interpretation. First, I will sketch the rival readings of the social protectionism in Polanyi's theory. Second, I will put forth my own interpretation of Polanyi's understanding of the role of social protectionism in the market economy. Finally, I will assess the validity of the competing interpretations and comment on the usefulness and validity of Polanyi's theory of social protectionism for present-day social inquiry.

2. (Re-)Reading Karl Polanyi: Contradictory accounts

It is possible to distinguish two contradictory approaches to the interpretation of the work of Karl Polanyi. This distinction is based on the understanding of social protectionism in his theory. The first approach perceives economic liberalism and social protectionism as two *balancing principles* in modern society. The second approach views market protectionism merely as a *part of the market pathology.*

Both interpretive approaches concur in the understanding of Polanyi's view of *laissez-faire* liberalism. The notion of the self-regulating market is a utopia that is not feasible in reality. Accordingly, it has never been achieved in the history of humankind. It functions only as an ideological tool. Market equilibrium produces social and cultural devastation and recurring economic crises, and thus it inevitably induces the spontaneous self-protective reaction of society against its annihilation by the market.[4]

Social protectionism is indisputably an inevitable part of the market economy. But this is the point where the agreement ends. The most influential approach to grasping this problem interprets Polanyi in such a way that it perceives social protectionism and the self-regulating market as two balancing principles of capitalism, principles that are mutually compatible. Social protectionism protects society from being annihilated by the self-regulating-market mechanism and makes the very existence of a self-regulating market and market society possible. The strain between these principles is productive: it results in equilibrium. The balance of these two

[3] Social protectionism is understood here as an intervention in the market economy in order to secure the cultural and social integrity of humankind and/or society (e.g. welfare-state redistribution and the regulation of the economy).

[4] There are some deviations from this concurrence: some scholars misread Polanyi with an interpretation of the (self-regulating) market economy successfully achieving autonomy from society and coming to dominate it (see, e.g., historian Fernand Braudel [1992]). This misconception, which is not very relevant for the argument in this paper, will be clarified below.

principles is the precondition for the existence of the modern society. "Economic liberalism has to be counter-balanced by social protection, and indeed everywhere it was ... The consequence was the civilization organized around two contrary principles" [Bryant and Mokrzycki 1994: 5]. It is thus alleged that the failure of the capitalist system was caused by the disequilibrium of these two fundamental principles of capitalism, which occurred in the 1930s.

On the other hand, there is also an approach that interprets social protectionism as a part of the market pathology [Lacher 1999]. Accordingly, social protectionism is merely an aspect of the development of capitalism and its crisis. It is perceived as a feature of the market economy that inevitably leads to a disaster. A self-regulated market brings about the spontaneous response of social self-defence (i.e. social protectionism). The problem is that social protectionism interferes with the mechanism of the self-regulating market and leads to its destruction. Social protectionism thus dissolves the mechanism that it itself is a product of. "It is this countermovement to the imposition of the self-regulating market which Polanyi identifies as the *proximate* cause of the catastrophes of the first half of the 20th century" [Lacher 1999: 320].

The contradictions in these interpretations are of important consequence for the policy implications that can be drawn from *The Great Transformation*. While the balancing principle approach interprets Polanyi as an advocate of a third way between liberalism and socialism, the market-pathology standpoint views Polanyi as a Janus-faced supporter of either *laissez-faire* liberalism or socialism. Fred Block, a follower of the balancing-principle approach, contends:

> Polanyi's thesis of the double movement *contrasts strongly* with both market liberalism and orthodox Marxism in the range of possibilities that are imagined at any particular moment. Both market liberalism and Marxism argue that societies have only two real choices; there can be market capitalism or socialism. [Block 2001: 13, emphasis mine]

Accordingly, Polanyi's analysis is used to legitimise market intervention and the range of institutional arrangements that protect society from the severe consequences of the market (e.g. the welfare state) and to deconstruct the ideology of neoliberalism. Because the catastrophe of the Second World War was allegedly a result of the imbalance in the organising principles of civilisation, "Polanyi was in no doubt that the balance between economic liberalism and social protection would have to be re-established" [Bryant and Mokrzycki 1994].

On the other hand, Hanness Lacher, who supports the market-pathology approach, has a different opinion on the policy implications of Polanyi's understanding of social protectionism: "[i]n fact, Polanyi leaves us with *no other choice than* that between liberalism and socialism" [1999: 325, emphasis mine]. Lacher maintains that Polanyi would not find welfare capitalism sufficient for overcoming the pathologies of capitalism. Therefore, much more essential measures need to be taken in order to avoid the destructive effects of the self-regulating market.

3. Polanyi's theory of the economy and society

In order to comprehend Polanyi's notion of social protectionism, it is necessary to elucidate his theory of economic systems and society. Polanyi formulates his theory as an alternative (not complementary) to the political economy and neoclassical economy. His account challenges the theory of spontaneous market evolution, the very existence of the market as an economic institution in traditional societies, and the ahistorical notion of Economic Man (i.e. in anthropological terms, invariable human behaviour based on the motive of gain).

Polanyi distinguishes between the *substantive* and *formal* meanings of the term 'economic'. The substantive meaning refers to a human's existential dependence upon nature and to the process of the (social) transformation of nature in order to satisfy the material needs of humans. The formal meaning refers to the situation of the rational choice between the different uses of means to achieve a given end under conditions of insufficiency of means (i.e. the scarcity postulate). Only the substantive meaning of economic can provide concepts for an investigation of all the empirical economies of the past and present. The economy is an *instituted* process. Therefore, the interacting elements of nature and humanity form a coherent and stable unit. The institutionalising of the economic process produces a structure with a definite function in society; it adds significance to its history, and it centres interests on value motives and policy. The study (sociological and/or anthropological) of the shifting place occupied by the economy in society is the study of the manner in which the economy is embedded and enmeshed in institutions, economic and non-economic. This idea gave birth to the famous and notoriously misinterpreted concept of embeddedness.[5] Formal economic analysis – economics – is appropriate only when applied to a definite type of institutional arrangement of economy, namely the market economy [Polanyi, Arensberg and Pearson 1957].

A human's economic behaviour is therefore not led by individual economic interest but by his/her social interest. The principles of economic behaviour are determined by the socio-institutional patterns that are dominant in a given society. Consequently, humans act in order to gain particular social assets. A certain social asset need not have (and throughout history has not had) anything in common with obtaining material goods. A human appreciates material goods as long as they have a certain social value or when they serve as a means to reach a particular social end. Social interests/values differ among societies, as they are defined by the dominant institutional pattern.

According to Polanyi, the economy in pre-industrial societies was embedded in social, religious, and political institutions. There were no distinct institutions based on economic motives of individual behaviour (i.e. the motive of gain, work for a wage, and the principle of least effort). As a result, economic relations were regulated by non-economic norms and motives. For instance, under the guild system,

[5] See Jessop's [2001] classification of different ways of using the concept of 'embeddedness'.

"[t]he relations of master, journey man, and apprentice; the terms of the craft; the number of apprentices; the wages of the workers were all regulated by the custom and rule of the gild and the town" [Polanyi 1944/1957: 70].

In the history of Western societies the production and redistribution of goods has been ensured by the behavioural principles of (1) *reciprocity*, (2) *redistribution*, and (3) *householding*. These behavioural principles, or their combination, integrated the economy, and they were sustained by the corresponding social patterns of (1) *symmetricity*, (2) *centricity*, and (3) *autarchy*. The institutional nuclei of societies with the dominant principle of reciprocity were based on sex (e.g. family and kinship). Redistributional societies had a territorial character with a common authority. Householding was based on production for a single household (oeconomia). Its institutional nuclei were also based on sex (e.g. the patriarchal family) and locality (e.g. the village settlement).

There were indeed markets in pre-industrial societies; they were quite numerous since the 16th century. However, these markets were strongly regulated. There was no sign of the market gaining control over society. Despite the routine assumptions of classical economy, exchange could not evolutionally expand in society, as it was restrained by the dominant social/institutional pattern of society. Exchange could not expand until the supportive social/institutional pattern had been established.

In the first half of the 18th century, a crucial change took place in the societies of Western Europe: the market economy was generated. The institutional pattern to support the behavioural principle of barter/exchange was established – the pattern of the *market*. This transformation substantially changed the organisation of entire societies. The economics ceased to be embedded in society. On the contrary, social relations became embedded in the economy. This was a milestone in the evolution of Western societies from the agrarian structure to modernity.

There is no parity between the principle of barter/exchange (i.e. the prerequisite of the market pattern) and the other principles of behaviour. Whereas the premodern principles are merely 'traits' of social behaviour, the barter principle is capable of creating an institutional system that is designed for one function only, and it is driven by only its own motives. The market pattern thus makes it possible to separate an institution of an economic nature from society – the institution of the self-regulating market. This transformation also implies the transformation of the dominant motive of economic action from subsistence to *gain*.

The 'great transformation' was brought about by two factors: first, the introduction of expensive machinery into the production process, and second, the emergence of the British political economy. Production with the aid of elaborate machinery required high, long-term investment. This risk was unbearable and unpredictable unless it was possible to reasonably ensure the continuation of production. As the sale of large amounts of products had to be guaranteed, production could not be interrupted for a want of primary goods (machine inputs). Consequently, both the inputs and the outputs of production – land, labour, and money – had to be con-

stantly available for sale, that is, organised by the market.[6] Such a radical and uncertain transformation required ideological underpinning that was provided by Ricardo's utopian belief "in man's secular salvation through the self-regulating market" [Polanyi 1944/1957: 135]. The idea of the self-regulating market was born.

According to Polanyi, the institutionalisation of the self-regulating market was possible only as a result of the very 'artificial' and conscious intervention of government into the social system in order to meet the demands of machinery production. The word 'intervention' does not stand for anything less than the frequent use of brutal physical force.[7] The introduction of the market organisation of society and the establishment of a *laissez-faire* environment were accompanied by a sudden increase in state intervention and administration. The function of the state shifted from a legislative to an administrative role.

The institutionalisation of an autonomous self-regulating market had profound consequences for the logic of the organisation of society. It led to a way of organising economic life that is, according to Polanyi, entirely unnatural and empirically exceptional. The economy is no longer embedded in society, but rather society is embedded in the economy. In order to allow the disembedded market to function, humankind must be subordinate to the peculiar logic of the market.

> [I]t means no less than the running of society is an adjunct to the market. ... For once the economic system is organized in separate institutions, based on specific motives and conferring a special status, society must be shaped in such a manner as to allow the system to function according to its laws. This is the meaning of the familiar assertion that a market economy can function only in a market society. [Polanyi 1944/1957: 57, emphasis mine]

As a result, in modern societies the economy is 'directed by market prices and nothing but market prices'. Disembedded economic action is driven by the motive of *gain*. In a modern market society, "human beings behave in such a way as to achieve maximum money gains" [Polanyi, Arensberg and Pearson 1957: 43, 68].[8]

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[6] Note the compatibility of this account of the nature of capitalism and its emergence with both Marx's notion (e.g. the emphasis on the role of the commodification of land, labour, and money) and Weber's theory of capitalism (the role of predictability/possibility of risk calculation) [Collins 1980; Marx 1887/1990; Weber 1923/1961].

[7] Polanyi's account of enclosures is no less horrifying than that of Marx's primitive accumulation [Marx 1887/1990].

[8] This implies that the common use of Polanyi's concept of embeddedness in economic sociology to characterise economic behaviour as socially situated and not explainable by reference to individual, form-rational calculation is inadequate. For instance, the main proponent of this concept, Mark Granovetter [see, e.g., 1985], explicitly refers to Polanyi when characterising socially embedded economic behaviour in modern capitalist societies. However, according to Polanyi, the 'great transition' created the 'disembedded' Economic Man. Surpris-

4. Against the ravages of the satanic mill

In a market society, the distinct economic system is separate from society, which is completely subordinate to it. The institutionalisation of the market economy entails the commodification of all elements of industry – including labour, land, and money. The commodification of labour and land, which represent human beings and their environment, subordinates the substance of the society to the market. It requires the state to not allow anything to inhibit the operation of the market. Therefore, there can be no other source of income but from sales and no interference in the mechanism of price adjustment. The state is required to make the market the only organising force in society.

The problem is that the separation of the market and the subordination of society to it are not actually feasible. Such a situation has never actually been achieved in the history of humankind. It was just a utopian goal of the ideology of market liberalism. The key to understanding the impossibility of the above-described *laissez-faire* utopia is Polanyi's distinction between *real* and *fictitious* commodities.[9] Commodities are understood as objects produced for sale on the market. Obviously, labour, land, and money are not produced for sale on the market; they are only treated as if they were: they are fictitious commodities. Allowing the market mechanism to organise fictitious commodities as real ones would result in the annihilation of society or even humankind. For Polanyi, the biggest danger the market poses is not economic in nature – it is neither that it is unstable and volatile, nor that it produces recurring economic crises, nor that it impoverishes workers.[10] The danger is the annihilation of social institutions and cultural degradation. The commodification of land and labour is "only a short formula for the liquidation of every and any cultural institution in an organic society" [Polanyi 1944/1957: 159].

> To allow the market mechanism to be sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society. [Polanyi 1944/1957: 73]

Society inevitably and spontaneously responds through protection "against the ravages of this satanic mill" [Polanyi 1944/1957: 73]. Hence, the state is forced to intervene in the money market by adjusting the supply of the market in order to avoid the dangers of inflation and deflation. It responds to the changing labour demand with unemployment relief and other employment policies. In addition, it protects farmers against the market in order to secure the continuity of food production.

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ingly, further reading of Granovetter's work reveals that he must already be aware of this fact [Swedberg and Granovetter 1992]. Nevertheless, Granovetter rarely finds it worth emphasising that he actually attributes a different meaning to embeddedness than Polanyi did.

[9] Note the affinity with Marx's analysis of contradiction in the commodity form.

[10] Polanyi even admits that the introduction of the market economy was accompanied by an increase in living standards.

5. Towards the capitalist crisis: The contradiction of the market economy

We have now approached the contradiction in the notion of the self-regulating market and/or market economy, that is, the contradiction of capitalism itself. The market organisation of fictitious commodities (labour, land, and money) is essential for the institutional separation of the market economy and its very operation. Every policy that inhibits the self-regulating market mechanism endangers the self-regulating mechanism of the economy (i.e. the material reproduction of society). However, no society can withstand the severe consequences of market organisation. Consequently, every society develops measures to protect itself from them. Capitalist societies are governed by a *double movement* of (1) market expansion and, its unavoidable counter-movement, (2) social protectionism. The main function of social protectionism is to regulate market actions with respect to the market organisation of labour, land, and money. The problem is that social protectionism is incompatible with the self-regulation of the market and thus with the market system itself. As Polanyi remarked to one of the supporters of market protectionism, Robert Owen, "[h]e did not, at this time, foresee that the self-protection of society for which he was calling would prove incompatible with the functioning of the economic system itself" [Polanyi 1944/1957: 129].

Polanyi understood the dynamics of modern 19th-century civilisation as a tension between the two organising principles of society. Each had its own aims and methods (i.e. policies) and its own support in definite social forces. The first principle was the *principle of economic liberalism*. Its aim was to establish the self-regulating market using *laissez-faire* methods and free trade. This principle was supported by the trading class. The second principle was the *principle of social protectionism*, aimed at preserving man and nature. This movement had no stable base. It was supported ad hoc by those who were affected by the consequences of the self-regulating market (e.g. the working class, peasants, and merchants). Its methods involved protective legislation, restrictive association (e.g. unions) and other instruments of intervention. This latent tension developed into the fascist crisis at the beginning of the 20th century, when the social support of both principles became localised. The crisis turned into a catastrophe when the conflict of principles turned into the conflict of classes.

> [Nineteenth century civilization's] ... failure was not the outcome of some alleged laws of economics such as that of falling rate of profit or of underconsumpion or overproduction. It disintegrated as the result of an entirely different set of causes: the measures which society adopted in order not to be, in its turn, annihilated by the action of self-regulating market. [Polanyi 1944/1957: 249]

Polanyi analyses the particular expression of the market-society contradiction on both the international and the national level. On the national level, Polanyi analyses the pathological consequences of social protectionism in a market society for both society and the market itself using the case of the Speenhamland system (England, 1795–1834) of subsidies for workers, who were provided subsistence re-

gardless of whether they worked or not. Polanyi concludes that the system, by not allowing the commodification of labour, not only impeded the market, as it reduced productivity, but also led to the deterioration of the workers' situation, as it prevented them from understanding their actual social position and from developing into a class.[11] The workers were selling their labour in a situation where it was deprived of its market value.

> A new class of employers was being created, but no corresponding class of employees could constitute itself. ... "Maladministration" of the Poor Law" precluded them from gaining a living by their labor. No wonder that the contemporaries were appalled at the seeming contradiction of an almost miraculous increase in production accompanied by a near starvation of the masses. [Polanyi 1944/1957: 80]

At this point Polanyi argues the introduction of the protectionist institutions into the market society, such as trade unions, and the legal regulation of factory conditions that are adapted to the requirements of the capitalist system. However, even these institutions were trapped in the contradictions of capitalism. "Though the new protective institutions ... were adapted, as far as possible, to the requirements of the economic mechanism, they nevertheless interfered with its self-regulation and, ultimately, destroyed the system" [Polanyi 1944/1957: 77].

On the level of inter-state relations, the utopian character of the belief in a self-regulating market was demonstrated in the practical impossibility for most countries of adhering simultaneously to free trade and to the gold standard. Thus, the capitalist contradiction was articulated in the contradiction between international free trade and the spread of the gold standard.

> Although everybody agreed that stable currencies ultimately depended upon the freeing of trade, all except dogmatic free traders knew that measures had to be taken immediately which would inevitably restrict foreign trade. ... While the intent was the freeing of trade, the effect was its strangulation. ... The whole arsenal of restrictive measures, which formed a radical departure from traditional economics, was actually the outcome of conservative free trade purposes. [Polanyi 1944/1957: 26-27]

These strains remained latent in the nation states as long as the world economy continued to function on the *laissez-faire* principle.[12] In the 1930s, major world states left the international economic system in order to protect their societies.

> Less and less could markets be described as autonomous and automatic mechanisms of competing atoms. ... Economic adjustment became slow and difficult. The self-reg-

[11] Block and Somers [2003] have convincingly demonstrated the inadequacy of Polanyi's analysis of the Speenhamland system.

[12] It was guaranteed by the gold-standard system of the world economy, which minimised the ability of governments to intervene in the system.

> ulating market was gravely hampered. Eventually, unadjusted price and cost structures prolonged depressions, unadjusted equipment retarded the liquidation of unprofitable investments, unadjusted price and income levels caused social tensions. And whatever the market in question ... the strain would transcend the economic zone and the balance would have to be restored by political means. Nevertheless, the institutional separation of the political from the economic sphere was constitutive to market society and had to be maintained whatever the tension involved. [Polanyi 1944/1957: 218]

These protectionist measures dissolved the world system, released stress between nations, and triggered the distress that resulted in the Second World War. Fascism responded to the needs of the situation: it offered a solution to this institutional deadlock.

6. Conclusion: Karl Polanyi on the politics of the market

I have investigated Polanyi's theory of the market and society in order to assess the validity of the contradictory interpretations of the notion of social protectionism in this theory. I have distinguished two interpretations of Polanyi's understanding of social protectionism. The first view understands social protectionism and the market economy as two balancing principles. In assessing this point of view, I drew mainly – and in this final analysis – on the work of Bryant and Mokrzycki [1994] in order to avoid criticism of the fictitious straw man. The second interpretive perspective sees social protectionism as part of the market pathology. I used the work of Lacher [1999] as a representative of this approach.

In order to comprehend the role of social protectionism in the history of modern society, it is crucial to understand Polanyi's account of the double movement. Modern 19th-century civilisation was organised according to the two contrary principles of economic liberalism and social protectionism. Social protectionism spontaneously emerged as a reaction to the liberal attempt to disembed the economy from society and to subordinate society to the logic of the self-regulating market. Social protectionism was therefore a *counter-movement* to market liberalism, but these two principles were not *counter-balanced*, as interpreted by Bryant and Mokrzycki [1994: 5]. Instead, Polanyi insists that there was no balance between these principles, since social protectionism disrupted the social pattern of the self-regulating market mechanism and – when social protectionism became a dominant force – led to the catastrophe of the Second World War.

Polanyi refers to this market-society deadlock in the frequently cited introductory summary of *The Great Transformation*. Nevertheless, the meaning of the part in italics is famous for being ignored.

> Our thesis is that the idea of a self-adjusting market implied a stark utopia. Such an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness. Inevitably, society took measures to protect itself, *but*

whatever measures it took impaired the self-regulation of the market, disorganized industrial life, and thus endangered society in yet another way. [Polanyi 1944/1957: 3, emphasis mine]

The balancing-principle approach focuses on an interpretation of Polanyi's theory with regard to the horrifying consequences of the free market and the inevitable emergence of the self-protection of society (as summarised in the unemphasised part of the quotation).[13] But it omits the serious consequences of social intervention. This allows Bryant and Mokrzycki to legitimise the social and economic policy of striving for "balance between economic liberalism and social protectionism" [1994: 6] by using Polanyi's theory. I think that Polanyi would consider this 'balance' as a contradiction in terms.

In contrast, Lacher [1999] is very well aware of the deadly dialectics of social protectionism in Polanyi's work.

> Necessary from the point of view of society as it is, protectionism is not simply the solution to the ravages of capitalism, but an actualisation of the contradictory relationship between market economy and market society. The consequences of protectionism were catastrophic rather than benign precisely because the market pattern remained at the heart of social organization. [Lacher 1999: 320]

I personally identify with Lacher's interpretation of Polanyi's understanding of the role of social protectionism. However, I do not agree with Lacher's account of Polanyi's policy proposal. As we have seen, Lacher concludes that since social protectionism and the market are incompatible, Polanyi offers two ultimate choices: liberalism and socialism. But Polanyi regards liberalism as a utopia or a secular religion – the protectionist intervention is an inevitable response to the attempt to disembed the economy, which would annihilate society; moreover, intervention is essential for the very installation of a self-regulating market. "While *laissez-faire* economy was the product of deliberate state action, subsequent restrictions on *laissez-faire* started in a spontaneus way. *Laissez-faire* was planned; planning was not" [Polanyi 1944/1957: 141].

Polanyi does not offer this choice, as there is no choice between a utopia and a real possibility. Utopia is not an option. However, Polanyi offers a real possibility. He concludes his masterpiece with a sketch of an alternative, the germ of which was present at the time he wrote *The Great Transformation*. The only inherently stable alternative is a system where the primacy of society over the economy is ensured, a system in which the economy does not govern society. This system may be achieved in a variety of ways.[14] The basic feature that the possible alternatives must share is

[13] I found it quite surprising that Bryant and Mokrzycki [1994] quote this entire passage without dealing with the problem of the compatibility of social protectionism and economic liberalism.

[14] However, according to Polanyi it is not possible to restore the pre-industrial system of the past.

the decommodification of land, labour, and money. "[T]he market system will no longer be self-regulating, even in principle, since it will not comprise labor, land, and money" [Polanyi 1944/1957: 251]. The only alternative then that Polanyi leaves to modern industrial society is the planned economy, a model with a high degree of affinity with the Soviet economy.

Inevitably, the question arises as to whether Polanyi's account of the double movement is relevant for contemporary social inquiry at all. I am sceptical about the utility of Polanyi's theory of the protectionist double movement and I do not think that the theory is useful for explaining (present) social reality. There are several reasons for this. First, Polanyi's analysis of the particular articulations of the capitalist contradiction on the international level can hardly be applied to the current situation, since international economic competition today follows a fundamentally different path.[15] Second, as far as the national level is concerned, one could argue, and quite a few people actually do, that the crisis of European welfare-state capitalisms supports the thesis that protectionist measures are deleterious to the operation of the self-regulating market. Fortunately, there is no need to deal with this question here since social reality provides a more convincing negation of Polanyi's theory. The core of Polanyi's explanation is that society inevitably and spontaneously responds to attempts to introduce the market mechanism by taking protectionist measures. However, the case of the United States suggests that the commodification of labour, land, and money does not necessary result in a protectionist response. Comparatively, among the advanced capitalist countries the United States is probably where labour, land, and money are the most commodified.[16] Applying the logic of Polanyi's double movement, one would expect a substantive protectionist reaction in the United States, but this is evidently not the case.

Finally, and most fundamentally, I do not think that Polanyi's general assumption about the inevitable protectionist response of society against its annihilation from market forces is theoretically strong. As I have attempted to show, Polanyi provides a rather functionalist account of the mechanical social response to the deleterious consequences of the self-regulating market. He works with an organic (solidaristic) notion of society. The market does not threaten a particular group or class but society as whole.

> [B]ecause not the economic but the social interests of different cross sections of the population [are] threatened by the market, persons belonging to various economic strata unconsciously [join] forces to meet the danger. [Polanyi 1944/1957: 154–55]

[15] In Polanyi's time, the main form of inter-enterprise competition was the 'price war', and the main capitalist countries adhered to the self-regulating mechanisms of the gold standard, which made the devaluation and revaluation of currencies impossible. Governments supported their domestic industries through protectionist and mercantilist practices. In contrast, in the post-war period commodity prices have been rising. To compete the main capitalist countries have been intervening in currency exchange rates (e.g. the Plaza accord and the reverse Plaza accord). See Arrighi [2003] and Silver and Arrighi [2003] for a comprehensive comparison.

[16] For instance, Haila [1991] offers evidence of the commodification of land.

According to Polanyi's theory of class leadership, in which some analogies with the Gramscian conceptualisation of hegemony can be found, the ruling class/group must protect the interests of other social groups in order to maintain its leadership; therefore, the protectionist defence is ensured. "Indeed, no policy of a narrow class interest can safeguard even that interest well" [Polanyi 1944/1957: 156]. However, I do not think that this account is adequate, as it underemphasises power relations among the classes [cf. Silver 2003]. Instead, I believe that the Gramscian conceptualisation of hegemony, based on a combination of political, intellectual, and moral leadership and the domination of antagonistic groups, provides a more appropriate account of class/social relations [cf. Gramsci 1971; Jessop 1990]. Consequently, I do not think that the protectionist response is something that can be assumed as inevitable; on the contrary, it is something to be explained.

However, despite my scepticism regarding the validity and utility of Polanyi's theory of the double movement, I firmly believe that his work provides invaluable insights into the dynamics of capitalism and the mutual constituting of the economy and society, which can provide fruitful stimuli for contemporary thought on these issues.

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SS 04:10
Hierarchy as the Strength and Weakness of Communist Rule
The Legacy of Communist Rule IV: A Volume of Papers from the Seminar Held in Prague on September 11-12, 2003

Martin Hájek (ed.)

This volume of studies is comprised of the papers that were presented at the seminar 'Hierarchy as the Strength and Weakness of Communist Rule', which was held on 11-12 September 2003 at the Faculty of Social Sciences of Charles University in Prague. The general purpose of the seminar was to reveal and interpret, in so far as possible without misrepresentation or bias, the procedures on which communist rule of society was based at the end of the 1980s. The papers delivered at the seminar and presented here in this volume can be divided into three thematic groups. The first group is made up of investigations into the methods and strategies of communist rule in general. This refers mainly to the legal framework of this rule, and how it fits in among the modern forms of government, which are only with difficulty capable of separating the political from the economic and which often feature all-encompassing planning ambitions. This group of contributions also covers the issue of the character of the rules and orders in 'really existing' socialism. The second group is made up of contributions devoted to analysing the form of rule at the highest level, the district level, and the local level. The final and concluding section is comprised of two contributions that deal with the subjects of communist rule and individual and collective memory.

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Gender Representation of the Anti-Globalisation Movement in the Alternative Media

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Abstract: The article focuses on the visual representation of men and women in the anti-globalisation movement in the alternative media. Two specific occasions are addressed: the demonstrations in Prague (2000) and Genoa (2001). Semiotic and content analyses are applied in a comparison of British and Czech alternative magazines. A brief history of the anti-globalisation movement, theories of alternative media, and gender representation in media is provided. The research shows that the anti-globalisation struggle is represented as gendered, and traditional gender roles are reproduced in the alternative media. Fewer women than men are represented in the media coverage, and women and men are shown performing different activities. Women are mostly associated with non-violent and creative actions, while men are more often depicted as fighters. Violent protest is considered more effective and important; male tactics are the norm. The British and Czech media do not differ significantly in terms of how men and women at the demonstrations or in the movement are represented.
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Introduction

The typical image of the anti-globalisation struggle is usually of masked activists fighting the police or smashing the windows of McDonalds. The protesters are usually men; the media tend not to show women. Yet, is the anti-globalisation movement only a man's affair? That is the picture the mainstream media suggest. I would like to examine whether the alternative media represent the movement any differently.

In this article I will examine the issue of how men and women in the anti-globalisation movement are represented in the alternative media using semiotic and content analyses applied to a comparison of British and Czech alternative magazines. Two specific occasions are addressed: the demonstrations against the meeting of the International Monetary Fund (IMF) and the World Bank in Prague in 2000 and against the G8 meeting in Genoa 2001. I am particularly interested in how

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women and men are represented in these cases, as I participated in these protests, and thus I am able to compare their representation in the media with my own knowledge of what really took place.

In this analysis I want to take a closer look at the gender aspect of the anti-globalisation movement because it has not yet been closely examined, and because, overall, the gender analysis of social protest is underdeveloped [West and Blumberg 1990: 7].[1] In doing so, I will first outline the theoretical framework, drawing on theories of gender and representation and theories of the alternative media, and I will then describe the methods I have used. I will proceed to analyse how men and women are represented in the media, what meanings they are associated with, and how these representations relate to reality. In this article I will argue that the alternative media represent the anti-globalisation struggle as gendered and reproduce stereotypical images of men and women.

The anti-globalisation movement and gender

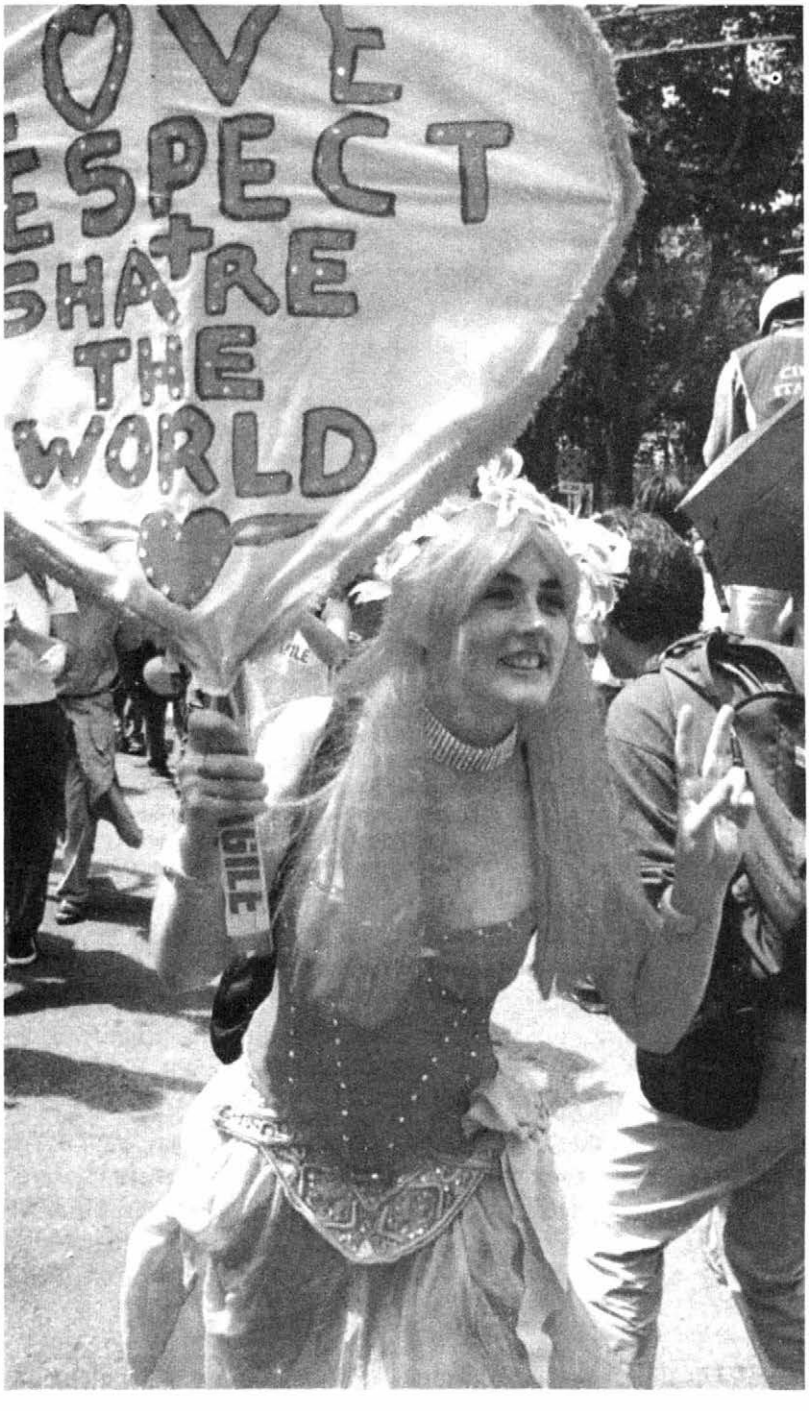
In order to specify what the anti-globalisation movement is the term itself merits discussion. 'Anti-globalisation' is a media label, but the movement refers to itself as 'anti-capitalist' [*Notes from Nowhere* 2003] because it is not protesting against globalisation (it is itself globalised) but rather against capitalism. It has also been referred to as 'anti-corporate' [Starr 2000].[2]

The anti-globalisation movement arose in the 1990s. The demonstrations against the WTO in Seattle in 1999 or the Zapatista uprising in Chiapas, Mexico, in 1994 are most commonly seen as its origin. The anti-globalisation movement is made up of a variety of movements throughout the world: worker, student, environmentalist, human rights, anarchist, socialist, feminist, and various local movements (for example, landless people in Brazil). As a whole, they struggle against neo-liberal capitalism, trans-national corporations, and the policies of institutions such as the WTO, the World Bank and the IMF. The history of the movement has been marked by demonstrations against the meetings of these institutions. Among the most important demonstrations were those in Seattle (1999), Prague (2000), Quebec, Gothenburg, Genoa (2001), Barcelona (2002), and Cancún (2003). Recently the movement has also been addressing the issue of war.

Starr [2000] notes that the movement is multi-issue and also incorporates gender. Mohanty [2003], however, suggests that the movement does not focus on gender issues, instead reflecting inequalities based mostly on class and ethnicity, but

[1] Especially in Czech academia, where no gender analysis is included even in the sole work on significant theories of social movements [Znebejánek 1997].

[2] I would prefer to use the term 'anti-capitalist', because of its content, but I have chosen to use the term 'anti-globalisation' in order to be clear that I am referring to the anti-capitalist movement in its most recent form, since the 1990s.



Girl with a Heart (Genoa), from 'On Fire'

Men Throwing Rocks (Genoa), from 'On Fire'

that women and feminists participate in it,[3] and she speaks of the "implicit masculinisation of the discourses of anti-globalisation movements" [Mohanty 2003: 529]. Waterman [2001] claims that there are not many women or feminists participating in the movement.

The alternative media (and gender)

In the context of social movements it is also important to study the alternative media.[4] The editors of alternative publications are not satisfied with the representation of protest, minority groups, and certain issues in the mainstream media and want to present their own views, express opposition, and build networks of solidarity. The alternative media I analysed are non-commercial, small-scale publications independent of political parties and with a more democratic organisational base and an active reading public [Atton 2002; Downing 2001]

Both Atton [2002] and Downing [2001] suggest that the alternative media are radical to different degrees and in particular aspects, they put forth the notion of 'mixed radicalism'. The media often neglect "women's issues in labour and ethnic struggles or of racism in women's movement debates" [Downing 2001: 32], because social movements are shaped within capitalist, racist, and patriarchal culture.

Representation and gender

Feminist media critics in the 1970s claimed that the media in general presented distorted and unrealistic images of women or excluded women entirely. The mass media were perceived as an instrument for the transmission of stereotypical patriarchal values about women and femininity. Such media were considered 'bad'. There was an effort to improve the content of representation and to present realistic and positive images of women, and feminists tried to produce their own 'good' media [Geraghty 1996; Hermes 1997; Zoonen 1996].

Complaints about the lack of realism in the media raised questions about the media and reality. Criticism was based on the assumption that the media provide a realistic representation of the world. But this representation is always constructed. The media do not simply reflect the world, they interpret it from various points of view. Representation presents only the partial truth of a particular social group [Allen 1992: 37; Macdonald 1995: 3].

[3] See 'Desire for Change: Women on the Frontline of Global Resistance' [2001] which presents interviews with several women from various local movements around the world.

[4] Sometimes called the 'radical' media [Downing 2001]. By 'radical' the author means that these media are concerned with social change; 'alternative' is more general [Atton 2002: 9].

Furthermore, there is the question of who should decide which images of women are 'accurate' and whose version of reality should be given priority. Feminists often ignored the viewpoints of women of colour, lesbian women, and others. Pollock [1987] suggested that instead of evaluating the representation of women as wrong we should view the woman as a signifier, examine her in relation to other signifiers, and compare the meanings associated with women with those associated with men.

Method of research

A full analysis of the alternative media's representation of gender in the anti-globalisation movement would involve a broad range of issues. Therefore, I have focused on the movement in the global north and in the print media only. Although the readers and the production of the alternative media should also be studied from a gender perspective, there is no space for that here. Therefore, the analysis focuses on the message and on social modality [Rose 2001]. The comparison of British and Czech alternative media uses two examples from each country: the British magazines 'SchNEWS' (published by Justice?, a direct action collective in Brighton) and 'Do or Die' (by Earth First! groups),[5] and the Czech magazines 'A-kontra' (published by the Czechoslovak Anarchist Federation, usually 6 to 10 issues per year) and *'Svobodná práce'* (Free Labour, published periodically by the Federation of Social Anarchists). I also analysed two books: 'We Are Everywhere: The Irresistible Rise of Global Anti-Capitalism' (a history of the actions of the anti-globalisation movement, edited by a collective of activists, mostly from the UK and the USA) and 'On Fire: The Battle of Genoa and the Anti-Globalisation Movement' (articles from various activists, mostly from the UK).

In the analysis I focus on visual images, while also considering the accompanying texts that emphasise the meaning of the images, because the visual is an important component in how femininity and masculinity are defined [Betterton 1987]. The study of representation in photography raises questions of realism, as photography is generally considered a tool for the objective depiction of reality, and yet all events in actuality are interpreted and images constructed from a specific viewpoint [Hall 1997: 19; King 1992: 131].

My use of content analysis suitable for the examination of a large number of images and applied to the specific examples of two demonstrations (Prague and Genoa) made it possible to arrive at some generalisations about gender representation with regard to all demonstrations, but we must nonetheless be cautious about generalising here, as the tactics of the movement differ in time and space.

[5] I needed to examine past issues but was unable to obtain them from the British magazines other than 'SchNEWS' and 'Do or Die', which were available as yearbook compilations for previous years. For a description of these publications see Atton [2002].

I worked with nine categories in the analysis: gender, age, group size, degree of nudity/dress, colour of clothing, role of those depicted, physical surroundings, type of activity and police presence.[6] I examined 169 images, 71 from Prague and 98 from Genoa.

Although content analysis is an objective method, I had to make some interpretations about situations in the photographs, for example the gender of masked activists and the colour of clothing worn by activists, because almost all the images were in black and white. My familiarity with the protests may have helped me because I know the real colour of the clothes.

I also conducted a more detailed, semiotic analysis of some of the images. I applied an inter-textual reading of the images, looking here at the meanings of certain images in relation to the meanings of other images in the context of broader cultural and social systems [Allen 1992: 34; Rose 2001: 88]. I analysed the images of women and compared them with how men are depicted. I also looked at how the various images are related to each other and suggested meanings associated with them.

Gender representation in demonstrations in terms of numbers

The content analysis showed that many more men than women are depicted in the media images. There are 100 photographs (59%) in which only men are depicted (including photographs with police officers[7]) and 9 photographs (5%) in which only women are represented. In 31 images (18%) there are mixed groups with both sexes, so women are represented together with men more often than alone.[8]

There is little representation of women in each analysed source. A comparison shows that in Czech anarchist magazines photographs of women constitute only around 10% of all images, whereas in British magazines it is slightly less, at 3% ('SchNEWS') and 6% ('Do or Die'). The Czech 'A-kontra' has a small percentage of pictures with men only – 37% – while the British 'Do or Die' has the largest at 64%. I expected the results to be the opposite, as the Czech movement appears to be much more male-dominated than the British.[9] The highest proportion of images with

[6] In some images there are indexical signs of the police presence (tear gas, water); I have not included these photographs in my analysis.

[7] Riot police are usually men. There were only two women among them in Prague (*MFDnes*, 1 October 2000). I assume the case was similar in Genoa.

[8] There are more women represented in Prague (10% of the images from the demonstrations in Prague) than in Genoa (only 2 images are women-only). The fact that women are more represented in Prague may have been because more women participated there, or because the media found them more interesting; the fact that women are represented less in Genoa could be the result of the particular choice of source – 'On Fire' focuses more on violent protest.

[9] Conversely, after the protests in Prague the Czech public reacted with horror to the violence, so the alternative media may have presented the situation as more peaceful, and some-

women-only images (20%) and together the lowest percentage of men-only images (30%) are in 'We Are Everywhere'.[10] This may be deliberate, because the book is distributed beyond alternative circles, and it may be understood as an advertisement for non-violent protest within the movement. The lowest representation of women-only images is in 'On Fire' (2%). The editors claim that this book is about militant protest,[11] so it could hardly be accused of not presenting other types of protests. From the images at least we can see that the editors in the alternative media consider a subject worth making a book about is confrontational protest.

When group size is combined with gender, women are represented usually in smaller groups (up to three people) or alone. I expected that women would be depicted alone and men in larger groups, but this hypothesis has not been verified, because men are also represented alone.

In the examined images mostly young people are represented. If there are older people, they are depicted in larger, mixed groups, usually marching or with their hands raised (or not as demonstrators but as delegates to conferences), and not fighting. Older women do not seem to be represented.

Women are generally shown with less clothing than men. In addition to one case of nudity that is depicted – a man in Prague – there are also seven people depicted as partially naked,[12] six of whom were women in carnival costumes and most of whom were in Prague. One man depicted with some exposed parts of the body was the activist killed in Genoa, who was examined by police in the street. In about one-third of the images the activists were normally dressed, but in 57% of photographs there were people wearing some form of protection (balaclava, gas mask, helmet, scarf on face, white overall with pads) and the majority of them appear to be men. I found only three women depicted with protective clothing, one in white overalls and two with their faces under black masks. These women were depicted in mixed groups, and they were the only women there.

I also examined the colour of the activists' clothing, because colour has a symbolic meaning here. In the anti-globalisation movement there is a *Black Bloc* known for violent tactics and damaging property, a *Pink* (or pink/silver) *Bloc* that uses creative protest with music and dance, and there are the *White Overalls* who come protected and well prepared to fight with police. The colour dimension is interesting from the perspective of gender, as from birth men are traditionally associated with

thing associated with women (see next section). But this is true for 'A-kontra' only and not 'Free Labour'.

[10] But we should also take into account the very small number of images from Prague and Genoa in this book (ten).

[11] Where more men than women participate (see next sections).

[12] Legs, whole arms, midriffs – these parts of the body were apparently bared to be attractive (to the media). I have not counted naked arms in T-shirts or legs in shorts, because the demonstration took place who come protected and well prepared to a hot summer day in Genoa.

Men in Protection (Genoa), from 'On Fire'

Frivolity on the Run (Prague),
reprinted by permission
of the editors of 'We Are Everywhere'.
Photograph: Meyer/Tendance Floue.

the colour blue and women with pink. The photographs include a total six images with people dressed in pink and all of them are of women. Almost all women activists are depicted in pink costumes that reveal some parts of the body. One half of all the images of people portray the demonstrators dressed in black, and the majority of them show men. There are more depictions of men in black clothes from the demonstrations in Genoa.[13] There are fewer images of people in white overalls (8), and these activists were mostly men, except in one photograph with a mixed group. In the rest of the images there are demonstrators in various colours of clothing.

If we consider the people's surroundings from the perspective of gender, women seem to be depicted in a safer environment than men, for example in a peaceful street. Mixed groups are also often placed in such surroundings; only once were they depicted in an environment with tear gas. The only people depicted in surroundings of tear gas, fire, or damaged property appear to be men. People depicted amidst a police presence are mostly men; there were only three images of women (one was dancing in front of a police line, another was being arrested, and the third was running away from the police).

The activities men and women are portrayed in also differ. Women are depicted more as passive, or in creative protests (dancing or just standing, once with their hands raised, once being arrested), but they are not depicted fighting, damaging property, or speaking, even in mixed groups. These activities are in images with men only.

To sum up, there does not seem to be a great difference between Czech and British alternative media in their gender representation. But there are differences between particular publications: 'On Fire', 'Do or Die', and 'Free Labour' focus on representing 'fighting men dressed in black (often depicted on the cover or the first page), while 'We Are Everywhere' and 'A-kontra' depict women in pink, protesting creatively, on the front cover, and slightly more often, also inside the publication than the other above – mentioned magazines. 'SchNEWS' lies somewhere between these two groups.

Women as fairies, men as fighters – a closer look at some images

There are various types of protest in the anti-globalisation movement; and there are said to be two opposite tactics that are used: 'fluffy' (non-violent direct action) and 'spikey' (using violence against property and the police) [Atton 2002]. According to my research, these protests appear to be represented as gendered in the alternative media. Women symbolise the non-violent, creative, and pacifist protest – they are signs of peace, love, and beauty. In pink carnival costumes with corsets and garters they look like something between princesses and prostitutes. They are represented as vulnerable, unarmed, and unprotected people confronting the police and power.[14]

[13] This could be due to the focus of the book 'On Fire' on the protests of the Black Bloc.

[14] Images such as 'Frivolity on the Run' and 'Girl with a Heart', and images of women with their hands raised.

Generally, "images of women have repeatedly signified qualities of a symbolic nature" (liberty, justice, humanity) [Macdonald 1995: 32]. The alternative media seem to create ideas about femininity[15] in the anti-globalisation protest. Women play feminine roles even in violent, dangerous events, and women fighting protected under balaclavas are not depicted as heroines. Men are portrayed more as individuals, fighting against power or destroying the symbols of capitalism (banks, McDonalds).

What is associated with women suggests their inferiority and all feminine characteristics "are considered to clash with honest politics and upright citizenship and (...) can be characterized as deviations from the male norm" [Hermes 1997: 74]. This can also be traced in the protest: the 'women's' protest is colourful and creative, but it is portrayed in the media as soft and pacifistic, and not effective in confronting the police and power structures. Conversely, fighting the police is presented as important. Fighting is associated with men; the male is the norm in protest. Anti-globalisation demonstrations are represented as a kind of war in the mainstream media (the Czech media especially highlighted this aspect), and also in the alternative media. Demonstrations are presented as battles,[16] and the whole movement seems to evoke notions of war. Activists are armed with sticks and stones, and protected by helmets and gas masks, while the police are armed with tanks, tear gas, and water cannons. Generally, war is very much a man's affair.

Differences can also be found in the police behaviour toward activists, distinguishable according to gender. Often, many people are arrested after the demonstrations, and when in custody the police appear to use violence against them; men report being beaten and women report being sexually harassed. The differences can be seen in the photographs representing the moment of an activist's arrest – men are beaten and kicked by the police,[17] while a police officer arresting a female activist searches her and touches her breast.[18] The activist killed by the police in Genoa was male, and he became a hero of the protest. According to the images, it is less probable that a woman could be killed as women participate less in the protest and in the violent fights in particular. The young man was killed after attacking police in a battle. According to the representation, if the woman were killed it would probably be in a non-violent protest, and it could then evoke a more angry reaction from the public in response to police violence.

There are also, in my view, gender differences in the representation of nudity. There is one naked male activist depicted[19] yet no naked women, although female nudity is sometimes used in protest (especially anti-war protests[20]). In the Western

[15] As do all the media [Macdonald 2003].

[16] The books make direct reference to battle in their titles: 'On Fire: The Battle of Genoa', 'The Battle of Seattle'.

[17] 'On Fire' (Genoa).

[18] 'A-kontra' (Prague).

[19] In Prague, 'Do or Die' p.1.

[20] For example, Australian women protested against the war in Iraq in February 2003 (*MFDnes*, 2003).

visual tradition women are usually portrayed naked or partially clad; female nudity signifies passivity, sexual allure, and spectacle [Rose 2001]. Male nudity also attracts a person's gaze, and the media thus appears to be interested in it, too. In the protests the naked body serves as a placard on which to write political slogans. The image of the naked man contrasts with that of the fully dressed man in a balaclava depicted with street fires in the background, and he appears vulnerable. Generally vulnerability is more associated with femininity. The image of the naked man, however, is not equivalent to the images of women presented; the asymmetry in this exists because "the relationships of power and control are not so easily reversible" [Pollock 1987: 46]. "In the visual tradition of the nude, men have always had privileged access to the sight of the female body" [Betterton 1987: 11]. In the protests male nudity seems comical and ironic, especially in one image of a man with a bank note on his penis. The penetration of money here seems to signify the debasement of money and capital. This is a rare image. It is not usually possible to show male genitals in the mainstream media, as such images are considered shocking and pornographic. In the alternative media, however, it is possible.

Representation and reality in the anti-globalisation movement

Although the theories of gender and representation question the relationship between representation and reality, I cannot help but see the images in this way. Given the variations between the media studied in this research, it appears that the representation in the alternative media is biased and constructed. There is no representation[21] of different masculinities (men protesting creatively or dressed in pink), femininities (older women, women fighters), union workers, or people of different age and race (there was an immigrants march in Genoa). It is possible to glimpse role-reversal in the depiction of women in the Black Bloc or White Overalls, but there are no men in pink costumes represented at all. Generally, men transgressing gender norms are less tolerated than women and in the alternative media.

The theories suggesting that representation is always constructed according to some bias seem to be validated here, even in alternative media, whose activists claim to be presenting reality without bias.[22] Their truth apparently does not include everyone, and mostly the interests of men's groups are presented.[23] The protest is represented as mostly a Black Bloc affair (there is one photograph of activists in balaclavas and with sticks called 'Your Humble Editors' in 'Do or Die'). That "men con-

[21] But I saw them during the protests.

[22] The mainstream media present the protests from another point of view. They portray demonstrators as aggressive people, destroying property, and as people from whom the police need to protect us, and they do not present women and creative protest at all (at least the Czech media and some British media that I have seen do not).

[23] The editors behind the Czech magazines and behind 'Do or Die' consist only of men. In 'SchNEWS' and 'We Are Everywhere' there are some women involved, but fewer than men. This information is not available for 'On Fire'.

trol the media through which visual images are circulated" [King 1992: 133] is a fact that appears to be reiterated even in the alternative media.

As the gender representation of the anti-globalisation movement in particular media sources is similar in many aspects (they represent fewer women and depict them in different roles than men), this would seem to relate to the reality of the anti-globalisation movement. When the Czech anti-globalisation or radical Left movement is described, there are no [Sokačová 2002] or very few women [Bastl 2001] mentioned among the activists. According to ethnographical data from research on gender in the anti-globalisation or radical Left movement in the Czech Republic [Hašková and Kolářová 2003], women do participate less than men; about 20% of activists in the movement are women. In addition, there seems to be a gender division of the movement's activities – women are more involved in groups that are supportive and care-oriented (cooking and first aid at demonstrations). They do not participate in violent activities as much as men, and their protest seems to be more creative. Generally, women's protest is creative and non-violent and draws on cultural resources [West and Blumberg 1990: 28], while armed fighting is viewed as an exclusively male political action [Lobao 1990: 180].

Roth [2001] suggests that the gender stereotypes that exist in society as a whole are often reproduced in social movements. In revolutionary movements, "solidarity and community has meant that women are little more than auxiliaries to the comrades and that women's political demands must wait until after the revolution" [Pateman 1988: 110]. Social movements as a part of the public sphere are constructed as a male domain and are dominated by masculine principles. Women entering the social movement are expected to play a traditional female role.

Conclusion

By analysing visual images in the British and Czech alternative media I have found that these media present the protest as gendered. Women were represented less than men and depicted performing different activities than men at the demonstrations in Prague and Genoa. These findings correspond with the theories about gender representation in the mainstream media. I have focused on gender representation, but there are also other groups of protesters (of different age, ethnicity and sexuality) that are not represented in the alternative media either.

Women and men are associated with different meanings in the images I examined. The alternative media construct the notions of femininity and masculinity in protest. Women symbolise peaceful protest, whereas men are associated with confrontational tactics. Although pacifist tactics are positive in general, they are considered inferior and not effective in the struggle of the anti-globalisation movement. Fighting and damaging property is understood as more important. The whole struggle is represented as a male institution, in which women do not participate, or where they are associated with opposite meanings, such as peace, love, and non-violence.

Smashing the Window (Genoa), from 'On Fire'

The representation of the anti-globalisation movement in the alternative media seems biased toward the interests of the editorial groups behind them, which consist mainly of men and are often part of the Black Bloc at the demonstrations. Representation in general is influenced by those who control the media (in both the alternative and the mainstream media). Although theorists present the alternative media as critical of the mainstream and as a medium for the representation of marginalised groups, they acknowledge that the alternative media vary in terms of the depth of their radicalism. According to my research, they are not radical enough to present women and men in non-traditional roles.

Nevertheless, this representation of gender appears to relate to reality, because according to theories on social movements and according to Czech data, women do participate less in the anti-globalisation movement than men and do perform activities traditionally associated with femininity. It seems that stereotypical gender relations of society as a whole are reproduced in the anti-globalisation movement. Yet the gendered roles in the movement are exaggerated by the stereotypical representation of women and men. Although they try to be critical of the mainstream and endeavour to change society, the alternative media can be seen as a tool for the transmission and confirmation of gender patterns. Mohanty´s claim that while women do participate in the anti-globalisation movement it remains dominated by masculine discourse seems to have been verified in my research.

The alternative media from the UK and the Czech Republic do not differ significantly, but there are slight differences between particular magazines, according to the editors' orientations. In both countries, it is possible to find some alternative media that more often show men fighting and others that more often depict nonviolent protest and women. I expected that the Czech alternative media would be less gender sensitive owing to the fact that there is less gender awareness here and feminism began developing several decades later than in the UK. Nevertheless, the Czech movement is part of the global movement, and it is also influenced by the foreign media in gender representation. The differences between the particular media sources also have something to do with who their target groups are. If the magazine or book targets a larger audience than the movement, it seems to present less violence and more women. On the other hand, when it is directed into the ranks of the movement it emphasises the activists as (male) fighters.

Future trends in the representation of men and women in the alternative media could resemble already been observed in the mainstream media: either women (and other marginalised groups) establish their own alternative media, with adequate representation, or they try to change the existing media from within and participate in the editorial groups.

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Ideas, Culture, and History in Transition Studies

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Abstract: In recent years it has been possible to observe a historical and cultural turn in the studies of transition in Central and Eastern Europe. Whereas until the late 1990s the field was dominated by 'transitology', which endorsed the convergence of the post-communist countries with Western Europe (both in a normative and an analytical sense), more recently there have been an increasing number of studies dedicated to obtaining an understanding of political and cultural diversity in the region. The two publications reviewed in this essay significantly contribute to the latter and are reviewed here with a view to their contribution to the understanding of the cultural, ideational and historical aspects of transition (such as collective identity formation, nation building and state formation, and discursive legacies). It is noted in conclusion, however, that although there is increasing sensitivity towards the diversity of post-communist societies, major steps are still required in order to overcome modernisationist, Western-centric and economic-determinist thinking.
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The new strand of theories – known somewhat pejoratively as 'transitology' or more neutrally as transition or transformation theory – which emerged with the collapse of 'really existing socialism' in the early 1990s, and which aimed at assessing the comprehensive changes in the former communist bloc, has been marked from the outset by two major trends. On the one hand, the field has been dominated for a number of years by neo-liberal and (neo-)modernisationist approaches to transition, both of which assume a universalistic solution to the problems of the transition from authoritarian and centrally planned systems to democratic market economies, emphasise the possibility of societal design, and largely understand the transition as the construction of new democratic market societies *ex nihilo*. On the other hand, despite remaining for a long time on the margins of the transition debate, there are a variety of critical approaches that have contested such a relatively simplistic, policy-steered, normatively charged, and a-historical approach to change in the region by instead focusing on (the positive outcomes of) historical legacies, diversity, and the distinctness of the emerging post-communist societies.

The initial intellectual hegemony of the neo-liberal and (neo-)modernisationist approaches, while steadily declining since the mid-1990s, seems now to have effec-

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tively been surpassed by a multiplicity of approaches that question the main, one-sided assumptions of the earlier paradigm and offer inter-disciplinarity in its stead. The neo-liberal paradigm is not only questioned on the basis of its rather rigid theoretical tenets, but also its empirical accuracy and its implications for governance are queried. With regard to the theoretical premises of the paradigm, the main thrust of criticism points to this paradigm's exclusive focus on the market and private property rights as a *telos* for transition, its designation of historical legacies as purely negative (and by the same token the Western model, if there ever was one, as the only alternative), and its vision of the role of the state as purely contextual, and of societal and cultural factors as being secondary in importance. In empirical and policy-making terms, the neo-liberal model has clearly failed to provide a convincing account of the emergence of undeniable pluralism in the paths of transformation in the region or to offer an unequivocal model for political and economic reform (simplicity was, after all, the most convincing element of the neo-liberal blueprint).

Two comprehensive collections of essays have recently contributed to the current openness in the field and offer an overview of the wide variety of studies and analyses of the former communist countries that are now available – *Postcommunist Transformation and the Social Sciences*, edited by F. Bönker, K. Müller, and A. Pickel (published by Rowman & Littlefield: Lanham, Boulder, New York, Oxford 2002), and *Capitalism and Democracy in Central and Eastern Europe. Assessing the Legacy of Communist Rule*, edited by G. Ekiert and S.E. Hanson (published by Cambridge University Press: Cambridge 2003). Both volumes offer a significant and varied contribution to the development of transition theory, while simultaneously presenting a selection of substantial empirical studies. In this review essay, rather than trying to condense the two volumes into a few short lines, I will focus on those contributions to theory that deal with culture, ideas, and historical legacies. This means that, owing to the lack of space and the subject delineation, I will discuss only a number of essays in relative depth, while the others will not be considered.

In the introductory chapter to their volume, Bönker, Müller and Pickel present a comprehensive genealogy of the emergence of the field of transition studies out of earlier area studies, democratisation studies, studies of totalitarianism, economic sociology and development studies. Here, the authors importantly and correctly relate the early moments of transition theory to the global discursive hegemony of the neo-liberal paradigm and the intimate entanglement and consensus of theory, politics, and practice. They also put forth the useful distinction between *first generation theories*, which were dominant during the early 1990s and are still under the spell of a rather naive sense of voluntarism, and *second generation theories*, which argued against simplistic and sweeping recipes for an often ill-understood region. Critical approaches gained sufficient weight only in the later years of the 1990s, so that only recently has it become possible to speak of a veritable paradigm shift in the study of post-communist societies. As pointed out by the authors, the new paradigm, if one has indeed emerged, is based mainly on the consensus that it is necessary to

apply interdisciplinary approaches to any comprehensive study of the processes of political, social, economic, and cultural change at hand.

Alternative approaches emphasise the important role of public policy and the executive in the transformation, or they underline the historical and cultural legacies that significantly shaped post-communist institution-building, in terms of political systems, culture, economic institutions, and informal norms and values. The emergence of a new paradigm is surely not founded on theoretical critique and innovation alone, but stems equally from the empirical shortcomings of the neo-liberal model. A number of crises in the 1990s not only called into question the validity of orthodox shock therapies, but also pointed to the unmistakable variety in transformation pathways, at odds with the notion of any universal blueprint or explanation.

In sum, a variety of cross-disciplinary approaches, stressing a comparative perspective that focuses on the specific post-communist pre-histories and in particular their social, non-economic, cultural, ideational manifestations in the present as decisive explanatory factors in the transformation, are substituted for the universalistic understanding of transition as a relatively unproblematic evolution towards 'normal society'. In this perspective, conflict, social polarisation, ethnic division, and social inequality and exclusion are the primary factors for understanding change and diversity.

A number of essays in the collection by Bönker, Müller and Pickel focus on the economic transition, while also touching upon cultural/ideational, institutional and global factors of divergence, instead of merely assessing actors' reform strategies and progress in societal convergence. In his analysis of post-communist transitions, Raiser underlines the crucial role that the factor of trust (as an informal institution in both bilateral exchanges and on a general social level) plays in the successful creation of a market economy. His argument is that only a form of 'generalised trust' (on a society-wide level rather than just the levels of family or networks) can in the end lead to a successful transition to a stable modern market system. "[T]he lack of extended trust, including distrust in the state itself, is one key factor behind the disappointing economic performance observed in many countries across the region" (p. 78). The legacy of communism in relation to formal and informal institutions is evaluated in different ways. Some see socialism as having left behind mainly distrust (in state institutions, interpersonal relations), whereas for others socialism anticipated market behaviour and shaped the networks which form an important asset in transition. Raiser supports the first argument by evaluating communism as having left behind a structural legacy of distrust, and he offers four main avenues for overcoming this legacy: moral leadership; political competition, and accountability; justice in the distribution of resources; and direct interventions in the formation of business support and information services. All these elements clearly point to the highly important role of the state in not only providing the necessary 'third-party contract enforcement' but also in radiating moral and ideological leadership throughout the whole of society. Even though the value of Raiser's argument

regarding the central role of the state in creating a successful market economy cannot be denied, he seems to involve a rather circular form of reasoning in that he sees increased impersonal exchange as generating extended trust, while in fact trust constitutes the necessary precondition for these exchange relations to come about in the first place (p. 81). Similarly, the state is regarded as the necessary third party in generating society-wide trust, but in order to successfully do so, it needs societal legitimacy as well as a national, universalistic frame of mind to start with. What seems to be missing from the argument is structural attention to the historical pathways of nation building and state formation (despite some indications) and a more nuanced assessment of the communist legacy, which would lead to a more profound grasp of societal differences in the development of stable collective identities, feelings of sameness, and social solidarity.

Wade Jacoby's contribution problematises the universalism of neo-liberal approaches through a focus on the tension between 'institutional transfer' on the one hand, and the reception and embedment of institutional models in local contexts on the other. Jacoby acknowledges that institutional transfer is much more complex than the "simple 'imitation' of best practices" and he identifies three major difficulties: "the *perception* (and possible misperception) of foreign models, political disagreements of their *desirability*, and difficulty in *implementing* foreign-inspired practices and designs" (p. 130). The impact of external factors on policy-making and policy implementation is notoriously difficult to research. Jacoby seeks to confront this analytical complexity by singling out institutional transfer as one instance of the relationship between the external environment and the domestic political sphere. He rightfully regards the process of transfer as one characterised by fragmentation and as relatively open-ended in nature, and, importantly, he underlines the reciprocal nature of its constitution in the sense of both external and domestic actors playing their parts. Here he emphasises the often neglected fact that local actors dispose of room to manoeuvre (which is downplayed in theories of international political economy that overemphasise the power of external actors in shaping local affairs) and that local affinity with external models is a *conditio sine qua non* for successful transfer. On the one hand, the author concludes by arguing that the most important instance of institutional transfer in the case of the Central and East European countries (CEECs) – that of the EU 'institutional tutoring and monitoring' – only partially constitutes a form of imperialism or direct external influence, as the EU has only recently become a major promoter of internal institutional change, and only reluctantly so. On the other hand, the EU is the most important external actor meddling in local affairs. However, it always acts in cooperation with local political elites. Although Jacoby rightfully depicts the external dimension as one which is ultimately complementary to domestic politics, one would like to know more about the conjunction (or disjunction) between the local ideas and policy alternatives and the external models and paradigms.

The chapter by Pickel and True also focuses on the influence of global forces on national transformation processes, an aspect much neglected in comparative

studies. The impact of global and trans-national forces on national pathways has been subject to insufficient analysis and theorising, first of all, owing to the domination of neo-liberalism as a paradigm of transition, and second, owing to the 'great divide' that exists between comparative politics and theories of international relations, which results in mutual blinders. Therefore, Pickel and True call for an approach that transcends the disciplinary boundaries of either approach alone (strangely, they claim to endorse a 'neutral' approach or framework rather than a theory, as if built-in biases or *a prioristic* assumptions can be banished by simply denouncing them) and propose a multi-level focus on three mechanisms or dimensions of post-communist change: global mechanisms (comprising structural elements on the global level), trans-national mechanisms (focusing on interactions between trans-national actors and organisations), and intra-national mechanisms (local actors and sub-systems). In the ensuing case-studies, they attempt to show that cultural globalisation is capable of enforcing local agency and identity rather than just constituting a form of cultural imperialism (the Czech Republic), that historical legacies of trans-national cultural embedment are being reproduced in the present (East and West Germany), and that resistance to external domination can be a primary factor in explaining regime stability (Cuba). The authors note the importance of devoting attention to the seriously neglected issue of the interaction between global factors and domestic contexts in forms other than neo-liberal domination and the inevitable integration into the world economy.

Central to the contribution by Melanie Tatur is the diversity of the experience of political capitalism. Her criticism of current transition studies is that, although by now the significance of formal and informal institutions is acknowledged, and cultural and symbolic factors such as interpretative frameworks and values have been given their due in recent contributions to the discussion, many conceptualisations of economic transition still set out from a rather voluntaristic approach to reform and social change. Instead, Tatur proposes a comparative approach that identifies various manifestations of the phenomenon of political capitalism (that is, the transformation of political networks into economic capital) and relates these to different processes of state (trans-)formation and patterns of social integration. In this sense, she seeks to add a cultural dimension to the study of the diversity of transformation pathways. Tatur makes a strong case for the analysis of the legal-institutional and political-cultural sides of transformation. First, she underlines the importance of the institutionalisation of property rights and the legal demarcation between the public and private spheres, rather than focusing on strategies of private property formation and marketisation per se. Second, she introduces the concept of 'moral familism' (based on the studies of Banfield and Putnam) to overcome the bipolar distinctions between amoral familism and civil community, which in transition studies are often equated with the clientelism of old communist networks and the reform efforts of democratic elites, respectively. As in Raiser's contribution, Tatur points here to the importance of society-wide forms of integration, in contradistinction to integration on the level of social groups/families. Despite the obvious merits of Tatur's approach, in terms of explicitly incorporating societal integration and the character of

the state, one cannot escape the impression that her equation of political capitalism with 'moral familism' resembles a version of the rather outdated understanding of societal change as evolutionary (and therefore as an in-between stage of an overall process of convergence towards a Western type of society) more than it does an analytical tool for understanding diversity in transformation.

The most comprehensive approach – historical-sociological and comparative – in the collection is provided by Wilfried Spohn. Unlike the bulk of the other contributions, which focus on economic transformation and the extra-economic, societal, and informal components of the formation of market economies, Spohn offers a broad analysis of political, social, and cultural transformation, and in this underlines the necessity of analysing the processes of nation building, state formation, and collective identities as a precondition for gaining a more comprehensive understanding of (economic and political) modernisation in the former communist societies. In addition, the revival of both nationalism and religion are taken as a starting point for criticising overly modernisationist approaches (which assume rationalisation and secularisation). Nationalism and religion are taken as constitutive factors of transformation and modern society, rather than as merely reactionary forces against the unstoppable march of modernisation. Spohn's comparative historical-sociological approach is substantiated in a brief historical analysis of nation building, state formation, and the role of religion in East Germany, Poland, and Russia. What one gains from such a long-term, comparative approach is the realisation that socio-economic and political-institutional approaches cannot suffice for the study of post-communist transformation, but that rather "the cultural dimension of societal transformation has to be analyzed on its own terms, before statements on the causal relationships between the different societal dimensions are possible" (p. 205). Here, Spohn rightfully criticises the existence of strong disciplinary boundaries and the (ontological) negligence of cultural and societal components of the transformations. Moreover, he makes a strong case for the use of a historical dimension that incorporates (and not secondarily) pre-communist projects of modernisation as well as the communist ones in order to understand the present. In this way, Spohn sketches the contours of an approach to varieties of transition that goes beyond the identification of a divergence from or approximation to the ideal-typical Western democracy and is able to deal with alternative constellations instead.

The volume edited by Grzegorz Ekiert and Stephen Hanson takes as its main subject the role of the legacies of the past in post-communist transformations. As the editors rightfully observe, the post-communist experience consists of a "mosaic of rapidly diverging societies" (p. 2), rather than an unquestionable convergence and singular evolution from 'really existing socialism' to a democratic market society, as was rather naively expected by many at the beginning of the post-communist voyage. The theoretical challenge is thus to confront the construction of democracy and capitalism in its diversity. Within the field this challenge is widely acknowledged, but systematic and comprehensive attempts to theorise on how this diversity has come about and what its main underlying factors are have so far failed to materi-

alise. The editors dismiss observations claiming that 'post-communism' as a region-wide designator has lost its relevance. For a moment, though, by suggesting that 'Leninist legacies' are much more tenacious in the former USSR, while in Central Europe these legacies have been more successfully overcome, they come dangerously close to equating legacies with the negative impact of the communist past, while foregoing deeper insight into the variety of ways in which these legacies work in the present, and they risk conflating Western democracy with the modern present and communism with the obscure past, thereby reproducing the archaic tenets of classical modernisation theory vis-à-vis the non-Western Other. Notwithstanding this *lapsus calami*, in the summary of the book the editors prove more inclined towards diverse explanations and qualifications of the past and its variegated impact on the present.

Indeed, in the comprehensive theoretical chapter written by the editors, they underline the difficulty of finding the right balance between particularism and universalism. Studies exemplifying the former (regional studies) acknowledge the uniqueness of particular cases and provide rich narrative accounts, while universalistic, nomothetic approaches (comparative politics) seek to generalise from a large number of cases, but tend to slip into a-historical and de-contextualised modes. Here, the debate over transition in the post-communist region meets the time-honoured debate over contextualisation versus generalisation, and, were it theorised systematically, this could contribute significantly to transcending the lasting controversy that exists in the social sciences. The authors propose the outcome of such a contribution in the 'dual contextuality' approach, which focuses on both temporal and spatial factors. The importance of the suggested approach lies not so much in its originality – the distinction between three levels of analysis as structural, institutional, and interactional can hardly be considered a novelty – but rather its merits lie in the comprehensiveness of the analytical framework it offers. It allows the authors to emphasise the significance of the often neglected processes of state formation and nation building for present-day transformations (although they tend to slip back into a modernisationist mode when discussing nation building; too rigid a distinction between civic and ethnic nationalism has by now been thoroughly discredited in most literature on nationalism; *ressentiment* nationalism developed most prominently in the heart of Europe, rather than merely on its fringes). It also allows for the identification of diversity as the complex outcome of the uneven impact of historical and institutional legacies of Leninism and state socialism in the post-communist region and their interaction with more distant legacies as well as contemporary political strategies. Here, the authors point to the necessity of employing structural approaches to historical legacies (in particular, regarding traditions of statehood and the formation of national identities), but at the same time acknowledge the need for 'grounding' such approaches in actual constraints, interpretative frameworks, and political events in the present. As the authors note, it is the comparative sociological tradition in particular that has proved capable of providing the deepest insights into the nature of the communist regimes, and it therefore seems also to offer the most useful tools for the analysis of the impact of the communist

past on the present. Such insights – such as the 'myth of the vanguard', 'planned heroism', or that Leninism consisted of a complex of institutionalised ideological components – significantly help in both assessing different trajectories during communist and understanding post-communist pathways. The impact of communist ideology and its demise (though the authors seem to assume too hastily that the Marxist-Leninist ideology disappeared altogether, as though some post-communists have not reproduced significant components of communist ideology, as, for instance, in the case of the Romanian National Salvation Front; see also the contribution of Kubik in this volume) have profoundly shaped post-communist trajectories, as have networks based on party affiliations and perseverant socio-economic institutions. The second component of the 'dual contextuality' approach – the spatial context – is, in my opinion, less convincing, in that its most significant contribution to explaining diversity (the demarcation of space by means of the construction of boundaries) has often to do with constructed representations of space (through political constructions and affinities) and could therefore quite reasonably be included in the levels of temporal analysis introduced earlier. Moreover, while the authors claim that the impact of geography has been "too often associated with a morally suspect geographic dimension and traditional cultural diffusion models that assumed the cultural superiority of the West and a unidirectional evolutionary path of social development" (p. 31), by emphasising the importance of geographical proximity in the diffusion of democratic models and market institutions they themselves come close to a rather static conflation of political and economic success with geographical location.

A substantial theoretical chapter is offered by Herbert Kitschelt. His point of departure is to understand the diversity of political regimes and economic reform efforts in the context of a shared communist legacy and similar levels of economic development. In this regard, Kitschelt observes that the widespread assumption that democracy emerges and consolidates best in rich countries does not hold in the Eastern European context. Kitschelt endeavours to make sense out of a range of competing explanations of diversity in the post-communist period and to offer a reasonable causal account of this diversity. It is impossible of course to establish a single superior causal account, and instead the force of different conceptions of causality need to be acknowledged. Furthermore, according to Kitschelt, causal analysis and its predictive potential are compromised by three main difficulties: the complexity of phenomena, the reflexivity of analysts, and the uncertainty of actors. In a manner roughly similar to that used in the introductory chapter, Kitschelt points to the tension between "excessively deep explanations" of post-communist diversity – historical-sociological, narrative accounts with presumably little potential for generalisation – and "excessively shallow explanations", which "provide mechanisms and high statistical explanatory yields but little insight into the causal genealogy of a phenomenon" (p. 68). Deep explanations do not point out the causal relations between the past and the present too well, whereas shallow explanations prioritise immediate factors in explaining diversity, while dismissing or ignoring long-term legacies and patterns. The latter, the causally shallow explanations, dominate the field,

not only owing to the 'methodological fashion' of multivariate analysis, but also as a result of the discredit that has been thrown on historical, structuralist explanations in the wake of the apparent 'sudden sweep of democracy' in the so-called Third Wave of democratisation. This tendency has led to excessive explanatory focus on the 'event' of the breakdown of the communist regimes. Kitschelt pleads, conversely, for an approach that "takes into account the temporal ordering of forces that may impinge on the final outcome" (p. 73). Thus, he argues that in certain instances long-term factors can be more significant than short-term triggers in explaining an event. Moreover, short-term factors can prove to be complementary to long-term factors in "some kind of funnel of explanation" (p. 74). And, finally, short-term factors can even be the decisive causes of particular outcomes, or in some cases the explanandum can be the result of pure contingency. Kitschelt makes a strong case for a variegated, interdisciplinary, and historically informed approach, in which structure as well as human action/creativity and their mutual constitution play primary roles. He reminds us, however, of the inevitable limitations of any explanatory approach in the social sciences: "[t]o tell the story of how communism collapsed in 1989–90 and of the trial-and-error processes that led to the emergence of new political and economic systems to replace them therefore remains a task of historical event analysis no social scientist could ever exhaustively replace with causal models of regime decay, breakdown, and replacement" (p. 82).

Kubik's essay represents a welcome contribution to the analysis of cultural legacies in the understanding of post-communist systems. In his theoretical elaboration of the nature of cultural legacies and their significance for the post-communist present, Kubik points to significant innovations in recent cultural theory. There are three tasks that ought to be central to any analysis of the impact of cultural legacies on the present: the identification and description of past cultural patterns, the transmission of such patterns by cultural entrepreneurs into the present, and an outline of the mechanisms whereby past patterns are (selectively) turned into significant present-day patterns (p. 319). In this, Kubik criticises approaches that depict legacies as the 'dead weight' of the past, which lives on in the present through sheer inertia. Furthermore, rather than understanding culture merely in psychosocial or psychological terms, and thereby reducing its significance to a syndrome of enduring attitudes or internalised norms and values, a cultural legacy should also be interpreted as a semiotic system, functioning as a 'tool kit' (Swidler), or representing a 'usable past' that actors are able to draw on creatively in their daily actions. Importantly, Kubik sees political culture as comprising both implicit legacies (syndromes of attitudes) and explicit legacies (discourses). As the implicit legacies are mostly studied by means of surveys, the object of study tends to fluctuate, and therefore the outcome of such studies seems relatively open-ended, incapable of providing any indisputable conclusions. In the case of explicitly articulated discourses, the archetypal empirical approach is the content analysis of texts, and its results seem relatively less ambiguous, as mapping the ideological positions of prominent actors seems to be a more precise exercise (though hermeneutic approaches would point out the multi-interpretability of the texts themselves). Kubik

subsequently uses these insights in a convincing comparative account of the influence of Russian and Polish discursive legacies on post-1989 politics. He underlines the importance in both cases of a hybrid of nationalism and communism, but shows at the same time the highly different outcomes of this legacy. In Russia the alliance of post-communists and nationalists has developed into a powerful, exclusivist and anti-liberal force. In Poland, however, post-communism went the other way, and, in an alliance with post-Solidarity forces, it turned left-liberal, by relying on Western European social-democratic ideas (a similar tendency can be seen in the Romanian Party of Social-Democracy of the late 1990s), while its nationalist components continued along a pro-European and open-minded course. This meant that nationalist, conservative trends remained relatively marginalised in the Polish political scene. Kubik's approach is convincing in that he shows that past cultural scenarios are relevant as 'usable pasts', rather than as structures that overwhelmingly predetermine the present. Actors are thus constrained by the past, but while they transmit particular elements of the past they also dispose of instruments such as selection, amnesia, and creativity. It is by means of (creative) action that cultural traditions live on in the present. Cultural traditions help to shape, but do not predetermine, present-day political institutions and policy-making.

The two volumes indubitably show that after a relatively dogmatic period of dominance by neo-liberalism and neo-modernisationist attitudes towards transition, the advance of interdisciplinary, and historically and culturally informed approaches are rendering the field of transition studies a breeding ground for innovation and critical perspectives on sociology in general. As the reviewed essays attest, there is increasing sensitivity towards the possibility of understanding the emerging post-communist societies as possible alternative forms of democratic and capitalist societies, rather than as either faithful or failed copies of the West. The fact that one can speak of a current paradigm shift, however, does not mean that we can do away with critically scrutinising the concepts and frameworks we use, as it would seem that quite a few steps must yet been taken before modernisationist, Western-centric and economic-determinist thinking will effectively become a thing of the past.

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Towards Global Justice: An Interview with Nancy Fraser*

Nancy Fraser is a professor of social and political theory at the New School University in New York. She specialises in social and political issues from a critical perspective and focuses especially on justice and gender. Her publications include, for example, *Unruly Practices: Power, Discourse and Gender in Contemporary Social Theory* (1989), *Feminist Contentions: A Philosophical Exchange* (1994, with Seyla Benhabib, Judith Butler and Drucilla Cornell), and *Justice Interruptus* (1997). Nancy Fraser is also co-editor of *Constellations*, an international journal of critical and democratic theory.

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Hrubec: *In your theory of democratic justice, you solve contemporary dilemmas in a post-socialist age after 1989 by arguing for an integrative approach that includes both the traditional social conception of redistribution and the new multicultural conception of recognition. Could you explain the relation between these two aspects of justice in order to illuminate your theory to the readers of the journal?*

Fraser: That's an excellent starting point. My work of the past 10 years has been guided by a single political-intellectual intention: to overcome the unnecessary and unproductive opposition between two different understandings of justice. The first of these is the distributive paradigm, which has dominated both Anglophone analytic philosophy and social-democratic politics in the post-war period. The second is the recognition paradigm, which has recently resurfaced in neo-Hegelian 'continental philosophy' and in various 'new social movements', both progressive and reactionary. Too often, these two paradigms are seen as mutually incompatible. Thus, some proponents of egalitarian redistribution reject the recognition perspective as 'merely superstructural' or inherently regressive, while some supporters of recognition cast the distributive paradigm as a species of outmoded materialism or reductive economism. In my view, such mutual recriminations are deeply misguided. The fact is that each paradigm brings into focus a fundamental aspect of justice, which cannot be grasped by the other. The distributive paradigm deals well with class injustices and resource inequities, which the recognition paradigm does not adequately address. Conversely, the recognition paradigm aptly handles status hierarchies and institutionalised disrespect, which the distributive paradigm does not ful-

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ly comprehend. Thus, each paradigm offers access to an essential range of phenomena that is not available to the other. Far from being mutually incompatible, then, the two paradigms complement each other. To be fully adequate, moreover, a theory of justice must encompass both dimensions, as each by itself is incomplete. What is needed is a comprehensive account that brings distribution and recognition together, in a single integrated framework, without reducing either one of those dimensions to the other.

This is precisely the sort of theory I have tried to develop. I call my theory of justice 'two-dimensional' because it treats distribution and recognition as two fundamental aspects of justice, which are analytically distinct from one another, yet mutually intertwined in social reality. On this view, social arrangements can be (and usually are!) unjust in either of at least two distinct ways: on the one hand, because economic ground rules generate distributive injustices or maldistribution; on the other hand, because institutionalised patterns of cultural value generate status inequalities or misrecognition. In the first case, the problem is the class structure of society, which corresponds to the economic dimension of social ordering. In the second case, the problem is the status order, which corresponds to the cultural dimension. In modern societies, the class structure and the status order do not neatly mirror each other, although they interact causally. In complex societies, the only way to overcome injustice is to change both those shapers of social interaction. What is needed, therefore, is an approach that integrates a politics of egalitarian redistribution with a politics of reciprocal recognition.

Hrubec: *In your book* Justice Interruptus, *you explain the integrative relation between the two aspects of justice in connection with two general types of possible remedies of injustice, i.e. affirmation and transformation. At the same time you analyse the aspects of justice and the types of remedy in terms of political orientations. I would also like to ask you which versions of justice/remedy you prefer.*

Fraser: In *Justice Interruptus* and later writings, when I have tried to draw out the political-theoretical implications, I involved some comparative reflection on the relative merits of alternative remedies for injustice. It was in this context that I developed the distinction you mentioned, between 'affirmation' and 'transformation'. This distinction, briefly, concerns the level at which injustice is addressed: whereas affirmative remedies target end-state outcomes, transformative remedies address root causes. Thus, the first approach aims to correct inequitable outcomes of social arrangements without disturbing the underlying social structures that generate them. The second, in contrast, aims to correct unjust outcomes precisely by restructuring the underlying generative framework.

What is most interesting, and useful, about this distinction is that it cuts across the redistribution-recognition divide. Thus, we can distinguish affirmative from transformative approaches in both those dimensions of justice. With respect to redistribution, the paradigm case of an affirmative strategy is the liberal welfare

state, which aims to mitigate poverty through public assistance, while leaving intact the structures that generate deprivation in the first place. In contrast, the classic example of a transformative strategy is socialism, which sought to redress unjust distribution at the root – by transforming the framework that generates it. That contrast is doubtless familiar to your readers. What may be less obvious, however, is that an analogous contrast can be drawn with respect to the politics of recognition. Here the paradigm case of an affirmative strategy is mainstream multiculturalism, which seeks to redress disrespect by revaluing the identities of depreciated groups, while leaving intact the symbolic structures that support them. In contrast, the paradigm case of a transformative strategy is deconstruction, which seeks to destabilise the binary oppositions that underlie existing group differentiations, such as male/female, native/immigrant, and straight/gay, thereby changing everyone's social identity. Thus, the affirmation/transformation distinction allows us to classify and evaluate alternative political strategies along both dimensions of justice.

In *Justice Interruptus*, I argued that transformative strategies were generally better than affirmative ones. Transformative redistribution reforms are less likely to promote social backlash against the beneficiaries, because they are solidaristic rather than targeted. Similarly, transformative recognition reforms are less likely to reify group identities and encourage separatism, because they blur the bases of existing group differentiations. Thus, in an intentionally provocative formulation, I proposed that the best approach was to combine democratic socialism in the economy with deconstruction in the culture. That proposal seemed to land me in an impasse, however, as both of those transformative orientations are far removed from the self-interpreted aims of most contemporary social movements and individuals.

Later, however, I came to appreciate that the distinction is not absolute, but contextual. Reforms that appear to be affirmative in the abstract can have transformative effects in some contexts, provided they are radically and consistently pursued. In *Redistribution or Recognition*, therefore, I proposed a third approach that represents a *via media* between affirmation and transformation. This third approach relies on André Gorz's idea of 'non-reformist reforms', which are policies with a double face: on the one hand, they engage people's identities and satisfy some of their needs as interpreted within existing frameworks of recognition and distribution; on the other hand, they set in motion a trajectory of change in which more radical reforms become practicable over time. By altering the terrain upon which later struggles will be waged, non-reformist reforms expand the set of feasible options for future reform. Over time their cumulative effect could be to transform the underlying structures that generate injustice.

This idea of non-reformist reform can help us to finesse what I am now tempted to call 'the transformation-affirmation dilemma'. No longer constrained to choose between them, we can look for strategies that combine the political feasibility of welfare-state multiculturalism with the radical thrust of democratic-socialist deconstruction.

Hrubec: *Could you now apply your explanation to the issues of gender and/or ethnicity, for example? Moreover, if you could first introduce your normative notion of parity of participation, which I found very instructive, it would give a general picture of your theory before you apply it.*

Fraser: Certainly. As soon as I decided to develop a two-dimensional theory of justice, I realised I needed to find an overarching normative principle that could encompass both distribution and recognition. Only by bringing both dimensions under a single principle of justice could I integrate them within a broader comprehensive framework. I devised the principle of parity of participation for this purpose. According to this principle, justice requires social arrangements that permit all (adult) members of society to interact with one another as peers. A society is unjust, therefore, when it is structured in such a way as to deny some members the chance to participate fully in social life, on terms of parity with the others. That can happen, moreover, in at least two different ways. First, the distribution of material resources can be so unequal as to deny some social actors the resources they need in order to participate as peers. Second, the institutionalised patterns of cultural value can be so hierarchical as to deny some the requisite standing. In order to approach justice, therefore, a society must meet two conditions. On the one hand, it must eliminate economic obstacles to participatory parity, such as deprivation, exploitation, and gross disparities in wealth, income, and leisure time. On the other hand, it must eliminate cultural obstacles by de-institutionalising value patterns that deny some people equal standing. In my view, both of these conditions are necessary for participatory parity. Neither alone is sufficient. The first brings into focus concerns traditionally associated with the theory of distributive justice, especially concerns pertaining to the economic structure of society and to economically defined class differentials. The second brings into focus concerns recently highlighted in the philosophy of recognition, especially concerns pertaining to the status order of society and to culturally defined hierarchies of status.

In general, then, the principle of participatory parity applies to both distribution and recognition. Conceiving each dimension as concerned with a different type of obstacle to equal participation, this approach brings both of them under a single normative measure, yet does not reduce either one to the other. Thus, the view of justice as participatory parity allows us to integrate redistribution and recognition within a single comprehensive framework, while respecting their mutual irreducibility.

I can illustrate this approach, as you suggested, by reference to injustices of gender. I prefer to discuss gender, as opposed to ethnicity, because it is a subject I have worked on a lot. But both these axes of subordination exemplify the virtues of a two-dimensional conception of justice, because both are themselves two-dimensional. Let me explain.

Women's subordination has both a distributive aspect, which comprises the traditional concerns of socialist-feminism, and a recognition aspect, which com-

prises the newer concerns of cultural- and discourse-theoretical feminism. Both dimensions are integral to sexism in modern society. The distributive dimension is rooted in the economic structure of society. Founded on a gendered division between paid 'productive' labour and unpaid 'reproductive' and domestic labour, this structure generates a division within paid labour between higher-paid, male-dominated, manufacturing and professional occupations and lower-paid, female-dominated 'pink collar' and domestic service occupations. The result is a gendered political economy, which institutionalises gender-specific forms of distributive injustice. In contrast, the recognition dimension of sexism is rooted in the status order. Governed by gendered patterns of signification, this order institutionalises a hierarchy of cultural value that privileges traits associated with masculinity, while devaluing traits coded as feminine. Embedded in most major social institutions, this symbolic hierarchy regulates broad swaths of social interaction. The result is an androcentric status order that generates gender-specific injustices of misrecognition, including sexual assault, sexual harassment, and myriad forms of discrimination.

The view of justice as participatory parity is especially well suited to this problem. By submitting both dimensions of women's subordination to the overarching norm of participatory parity, this approach supplies a single normative standard for assessing the overall justice of the gender order. Insofar as the economic structure of society denies women the resources they need for full participation in social life, it institutionalises sexist maldistribution. In so far, likewise, as the status order of society constitutes women as less than full partners in interaction, it institutionalises sexist misrecognition. The overall result is a morally indefensible gender order, in which two basic aspects of sexism are intertwined. Thus, the norm of participatory parity serves to identify, and condemn, the full extent of gender injustice in modern society.

Hrubec: *You discuss folk paradigms of social justice as discourses diffused through democratic communities in your book* Redistribution or Recognition?, *which you wrote together with Axel Honneth. The paradigms serve as a starting point and a practical reference point for your principle of participation parity, i.e. as a foothold in the existing social world which, however, has to be critically studied from perspectives of normative (moral philosophical) and empirical (social theoretical) conceptions. That is how you make the requirements of immanence and transcendence compatible. Could you explain it?*

Fraser: Let me begin by noting that one can understand the terms *redistribution* and *recognition* in two different senses. In one sense, these terms refer to philosophical paradigms for theorising justice, which have been explicitly and reflectively elaborated by moral philosophers. Understood in this sense, the distributive paradigm owes its current form to the conceptual work of twentieth-century analytic thinkers, such as John Rawls and Ronald Dworkin, while the recognition paradigm derives its present incarnation from the efforts of neo-Hegelian philosophers such as Charles Taylor and Axel Honneth. In a second sense, however, redistribution and recogni-

tion refer to 'folk paradigms', which inform struggles in civil society. Tacitly presupposed by social movements and political actors, but not explicitly theorised, folk paradigms are sets of linked assumptions about the causes of and remedies for injustice that underlie political claimsmaking in democratic societies. Thus, the folk paradigm of redistribution has informed more than a century's worth of social struggles, including those associated with social democracy, democratic socialism, and New Deal liberalism (in the United States). Likewise, the folk paradigm of recognition is currently informing diverse struggles over status and identity, including those associated with multiculturalism, gay liberation, and human rights.

Now, as soon as one distinguishes folk paradigms from philosophical paradigms, the question arises: what is the relation between them? Although this question is of little interest to practitioners of freestanding moral philosophy, who largely ignore folk paradigms, it assumes importance for those, like me, who seek to renew the project of Critical Theory. That project, which descends from the Frankfurt School, endeavours to bring moral philosophy into a fruitful relation with social research, including the study of social conflict and political culture. Thus, the critical theorist eschews the god's-eye-view standpoint of traditional theory, which seeks to confront an apparently separate social reality with an independent 'ought' from on high. Mindful of her own social and historical situatedness, rather, she adopts a reflexive orientation and aims to establish a dialogic relation with other constituents of social reality, especially actual or potential agents of emancipation. To this end, the critical theorist interrogates the status of her own normative categories. How, she asks, are the latter related to the folk categories that are diffused throughout the society and employed by social actors to evaluate and criticise their form of life?

My own view of this relation is elaborated in *Redistribution or Recognition?* There I argued that Critical Theory should derive its normative categories from a process of critical engagement with the folk paradigms that structure contestation in contemporary society. In the first instance, we should identify the principal folk paradigms that underlie political claimsmaking. Then, we should test the adequacy of these paradigms in the light of moral-philosophical and social-theoretical reflection, asking: Do the folk categories adequately grasp the nature and extent of current injustices? Do they enable social actors to conceptualise both the structural mechanisms that generate injustice and the appropriate forms of redress? Or do these paradigms need reconstruction? Conversely, however, we should also test the adequacy of our philosophical paradigms and social theories in the light of the insights contained within folk paradigms. Here we must ask: Do our theories illuminate the nature and sources of the injustices experienced by social actors? Or do our theories themselves need revision? The result will be a circle of critical reflection in which folk paradigms and philosophical paradigms communicate with, and correct, one another.

In so far as it proceeds in this way, Critical Theory can establish a relation to social reality that is simultaneously immanent and transcendent. On the one hand, because our categories derive ultimately from folk paradigms, they will have a foothold in social reality–which means they can gain critical traction and speak to

potential agents of emancipation. On the other hand, because they have gone through a process of critical scrutiny and theoretical refinement, our categories can point beyond the existing social reality and enable radical criticism of it. The result is that our critique is at once immanent and transcendent – 'in but not of' contemporary society.

Hrubec: *In this context and in comparison with Honneth's more or less internal point of view of the people in the process of identity formation, I would like to ask which role your status model of recognition – which seems to be the more or less external sociological point of view – plays.*

Fraser: On my account, recognition is a question of social status. What requires recognition is not group-specific identity but the status of individual group members as full partners in social interaction. Misrecognition, accordingly, does not mean the depreciation and deformation of group identity. Rather, it means social subordination in the sense of being prevented from participating as a peer in social life. To redress the injustice requires a politics of recognition, but this does not mean identity politics. On the status model, rather, it means a politics aimed at overcoming subordination by establishing the misrecognised party as a full member of society, capable of participating on a par with other members.

To treat recognition as a matter of status entails examining institutionalised patterns of cultural value for their effects on the relative standing of social actors. If and when such patterns constitute actors as peers, capable of participating on a par with one another in social life, then we can speak of reciprocal recognition and status equality. When, in contrast, institutionalised patterns of cultural value constitute some actors as inferior, excluded, wholly other, or simply invisible, hence as less than full partners in social interaction, then we must speak of misrecognition and status subordination. In cases of the second type, claims for recognition are in order. But they do not aim to valorise subjects' identity. Rather, claims for recognition in the status model seek to remove obstacles to participatory parity. They aim, that is, to deinstitutionalise patterns of cultural value that impede parity of participation and to replace them with patterns that foster it.

In general, then, the status model represents a major revision of the folk paradigm of recognition. But it also revises the standard philosophical understanding, including that of Axel Honneth. You are right to observe that my approach moves the concept of recognition out of the orbit of subjective suffering and identity deformation and into that of social institutions and public-sphere debates. Thus, the status model locates the moral wrongness of misrecognition, not in subjective psychical suffering and identity deformation, but in institutionalised status subordination, which impedes participatory parity. Likewise, it traces the source of misrecognition, not to interpersonal dynamics, but to institutionalised hierarchies of cultural value that constitute some people as less than full partners in social interaction. Then, too, the status model proposes that recognition claims be warranted, not monologically,

through appeals to authentic identity or psychical suffering, but dialogically, in democratic public-sphere arguments, by appeal to the standard of participatory parity. Finally, my approach entails that the best way to overcome misrecognition is not by changing people's attitudes about one another or re-engineering their identities but by institutional change: the goal is to de-institutionalise parity-impeding value hierarchies and to replace them with parity-enabling alternatives.

This is why, no doubt, you view my account of recognition as more 'external' and 'sociological' than Honneth's. I have no objection to that description. But I would add that, precisely for these reasons, my conception is better suited to a Critical Theory that seeks to promote democratic struggles for social justice in a globalising world.

Hrubec: *Following your approach to immanence and transcendence and taking into account Marcuse's triadic approach, how would you formulate a relationship among good facticity (in other words: positive fragments and progressive tendencies, i.e. social movements, for example), practical criticism of bad facticity, and social norms? And how is this practical trichotomy related to a theoretical one, i.e. description, criticism and normativity?*

Fraser: This question really gets to the heart of my understanding of Critical Theory. The trick, as you say, is to establish the right sort of relationship among social description, social criticism, and normative theorising. My approach starts with the most basic folk ideal of modern society: the equal freedom and moral worth of human beings. Deeply rooted in the history of social struggles, this ideal continues to inspire social movements today. Thus, it represents an instance of 'good facticity'. Embedded in political culture, the ideal of equal freedom motivates emancipatory protest and structures political claimsmaking. But its full implications are not given once and for all. They unfold historically, rather, acquiring further depth as actors apply this ideal to new problems in new situations. Thus, the idea of equal freedom can transcend any given context in which it is situated. Endowed with a normative surplus, this norm points beyond the given, toward radical criticism, and transformation, of existing society.

In my view, the key to establishing a fruitful relation among your three elements of description, criticism, and normativity lies in the expansive, emancipatory potential of the ideal of equal freedom. For me, accordingly, critical theory should activate the surplus normativity of this ideal. Reconstructing its progressive enrichment in the course of the history of social struggle, we should plot the ideal's trajectory so as to disclose its still unrealised critical potential. In so doing, the theory can configure the elements of your Marcusean triad in such a way as to clarify the prospects for emancipation in the current conjuncture.

That, at any rate, is how I proceeded in *Redistribution or Recognition*. There I theorised the principle of participatory parity as a radical-democratic interpretation of the ideal of equal freedom. On this view, participatory parity appears as the outcome of a historical process that has enriched the meaning of that ideal over

time. In this process, social struggles have expanded both the scope and the substance of equal freedom. Once restricted to religion and law, the reach of that ideal was extended, first, to politics, through struggles for universal suffrage; then to labour relations, through trade union and socialist struggles; then to family and personal life, through feminist and gay-liberation struggles; and finally to civil society, through struggles for multiculturalism. In each such arena, moreover, the meaning of equal freedom deepened as well. Today, for example, it is no longer thought sufficient merely to accord everyone equal formal rights. Increasingly, rather, people believe that equality should be manifest substantively, in real social interactions. The result is that the ideal of equal freedom is becoming substantialised. No longer restricted to formal rights, but also encompassing the social conditions for their exercise, this equal freedom is coming in effect to mean participatory parity. Participatory parity, then, is the emergent historical 'truth' of the ideal of equal freedom.

The consequences for Critical Theory are profound. If we centre our theory on the principle of participatory parity, we can establish a fruitful relation among good facticity, bad facticity, and normativity.

Hrubec: *I would like to ask what you are planning to work on in the forthcoming academic year.*

Fraser: I am beginning work on a new project, tentatively titled 'Post-Westphalian Democratic Justice'. My aim is to theorise a structural transformation in the grammar of democratic justice that is emerging now, in the wake of what is usually called 'globalisation'. Processes associated with that term are causing me to revisit my previous two-dimensional theory of justice. Today I maintain that an adequate theory of justice must be *three-dimensional*. The reason is that the acceleration of globalisation has fundamentally transformed the circumstances of justice – by altering the scale of social interaction and de-centring the Westphalian territorial-state frame. Today, accordingly, the national framing of political claims making no longer goes without saying. On the contrary, from Chiapas to Kosovo, from international feminism to the U.S. invasion and occupation of Iraq, the characteristic conflicts of the present exceed that frame. Far from taking for granted existing national and international structures of governance, such struggles suggest that justice may require decision making in a different frame. Under these conditions, neither distribution nor recognition can be properly understood without explicit reference to the problem of frame. Both those dimensions of justice must be resituated in relation to another major aspect of social normativity, which was neglected in my previous work. Henceforth, redistribution and recognition must be related to *representation*, which allows us to problematise governance structures and decision-making procedures. Explicitly thematising the problem of the frame, this notion points to yet another class of obstacles to justice: neither economic nor cultural, but political. Representation, accordingly, constitutes a third, *political* dimension of social justice, alongside the (economic) dimension of redistribution and the (cultural) dimension of recogni-

tion. And so I am now beginning work on a new book in which I hope to work out the theoretical and practical implications.

Hrubec: *You specify the development from the establishment of the post-socialist age to the contemporary situation with the statement that issues about justice leave out a Keynesian-Westphalian frame, which limited claims for justice through the boundaries of territorial states. I guess you would agree that we may talk about a new post-Westphalian frame, especially in relation to the contemporary debates about justice and not too much in relation to (in)justice itself. I think that we have to admit that the disputes about justice should have broken down the Westphalian frame of territorial states earlier. The so-called Cold War, for example, was very 'hot' in Vietnam and other states that were dragged into the global war turbulences. Czechoslovakia, occupied by Soviet troops in 1968 and by Soviet economic interventions, was not totally cold either. Despite the undeniable fact that strong financial, economic and other global forces came into existence in the 1990s, I would like to ask: would you accept that the term 'Cold War' and the contemporary delayed breakdown of the Westphalian frame are to some degree a West-centric and Soviet-centric point of view, i.e. the point of view of subjects who were not affected by global forces in their territories earlier?*

Fraser: It is questions like this one that make me appreciate the importance of transnational and transregional communication. By counter-posing a view from the former 'second world' to fashionable 'first-world' discourses about globalisation, you expose the limited, parochial character of the latter. But let me backtrack and explain what I mean.

Earlier this year, I devoted my Spinoza Lectures at the University of Amsterdam to the problem of the frame. I introduced this problem by observing that there exists today, thanks to the salience of globalisation, an increased awareness that the modern territorial state is not always the appropriate frame for thinking about justice. Delivering the first of these lectures in Prague, I claimed that the time was past when it could simply go without saying that questions of justice concerned relations among fellow citizens, that they were subject to debate within national publics, and that they contemplated redress by national states. I also claimed that this ensemble of assumptions, which I called the 'Keynesian-Westphalian frame', had been taken for granted throughout much of the post-war period. Presupposed by most political actors, that frame was also assumed, without explicit justification, by philosophers who theorised justice in both the distributive and recognition paradigms. I argued, too, the experience of globalisation is currently destabilising the Keynesian-Westphalian frame. The result, I said, is to put the question of the frame squarely on the philosophical and political agenda.

But you are right, of course, that not everyone took the Keynesian-Westphalian for granted in the post-war period. For those living under direct Soviet domination, the view of justice as an exclusively national affair must have long been suspect. Likewise, for many in the so-called Third World, the claim that some justice issues require a transnational frame is hardly news. As you rightly note, only people living in

wealthy democratic welfare states, who benefited from both neo-colonialism, on the one hand, and Cold War military Keynesianism, on the other, had the luxury of bracketing the transnational conditions of their own relative privilege and prosperity.

That said, it remains the case that the problem of the frame enjoys a new salience today – if only because those who once had the luxury of ignoring it can no longer do so. Today, North Americans and Western Europeans find themselves in the same boat as everyone else on at least this one point: thanks to heightened awareness of globalisation, they too observe that the social processes shaping their lives routinely overflow territorial borders. Like others, moreover, they note that decisions taken in one territorial state often impact the lives of those outside it, as do the actions of transnational corporations, international currency speculators, and large institutional investors. Like everyone else, they also note the growing salience of supranational and international organisations, both governmental and non-governmental, and of transnational public opinion, which flows with supreme disregard for borders through global mass media and cybertechnology. The result is that even the most privileged inhabitants of the globe now sense their vulnerability to transnational forces. Faced with global warming, the spread of AIDS, international terrorism, and superpower unilateralism, they too believe that their chances for living good lives depend at least as much on processes that trespass the borders of territorial states as on those contained within them. Thus, they, too, can no assume without argument the Keynesian-Westphalian framing of questions of justice. They too must confront the problem of the frame.

Thus, I accept your point about the West-centric character of my initial introduction of the problem of the frame. (And I also accept your related point about the expression the 'Cold War'.) Nevertheless, I am convinced that my larger point still stands. In the current conjuncture, theorists of justice should not focus single-mindedly on debating the question, 'equality of what?' In addition, they should devote a significant portion of their energies to the question, 'equality among whom?' This means evaluating the relative merits of nationalism, liberal internationalism, and cosmopolitanism with respect to issues of distributive justice, on the one hand, and of recognition, on the other. And it also means considering yet a third question: *How* should we decide between alternative frames? These, as I said, are the questions I shall work on in the coming period.

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Structural Tensions in the Interface between the Labour Market and Social Policy in the Czech Republic

Jiří Večerník

Efficient policies must be based nòt only on mainstream economics but to a large degree also on the social sciences. This study tries to demonstrate the links between the social structure and social policies. While in traditional societies structures mostly precede policies, to a great extent it is the opposite that occurs during the transition from a command to a market economy. The post-communist state interferes more than other governments in the social structure, and it supports strong actors. This hinders the expansion of the main actor in a successful transition - the middle-class - whose stagnation or adverse development causes the social structure (disintegrated, polarised, and unstable) to become implicitly the main social problem, which in turn generates other 'minor' problems. The middle-class perspective provides the framework for many tensions and latent conflicts in the structure of society.

Using a socio-economic approach the study presents four types of socio-economic friction, which develop between the middle class and other groups, between the new and the old middle class, between pensioners and the economically active, and between people with employment and the non-working poor. The first involves insufficient incentives for middle-class expansion, which leads to a socio-economic trap: social polarisation. The second relates to tensions among various sections of the middle class, which result in a socio-structural trap: the autonomous corporatisation of sections of the middle class. The third is linked to the pension system, which can give rise to a socio-political trap: excessive redistribution. The fourth involves the effective ratio between the wages of low categories of workers and the guaranteed subsistence income, which creates a socio-cultural trap: the spread of dependency status.

Such controversies are observed also as examples of an integrative approach to human resources development and the process of social inclusion. Social cohesion cannot be reached only from without, i.e. by redistribution, which must remain within limits so as not to hinder social change by distorting individual motivation and personal effort. The delineation of such limits cannot be drawn from a rational economic calculation alone; the social structure and its political, economic and cultural dimensions must also be taken into consideration, as when certain of their limits are exceeded another type of redistributional trap evolves; one that in the end, however, leads to a similar type of stagnation.

To order a copy of this publication, please contact: The Press and Publications Department, Institute of Sociology, Academy of Sciences of the Czech Republic, Jilská 1, Prague 1, Czech Republic; tel.: +420 222 221 761, e-mail: Eva.Strnadova@soc.cas.cz

Peter A. Hall – David Soskice (eds.):
Varieties of Capitalism: The Institutional Foundations of Comparative Advantage
Oxford 2001: Oxford University Press,
540 pp.

In recent years comparative political economy has come to focus on the analysis of the effects of the regulated economy on (re-)configuring variants of capitalism. In *Varieties of Capitalism*, Peter Hall and David Soskice put forward what is probably one of the most influential and trenchant analyses of contemporary capitalism, in which they illuminate the role of political and economic institutions in coordinating different patterns of economic growth. The *varieties of capitalism* framework, which "brings firms back into the center of the analysis of comparative capitalism" (p. 4), is founded on the proposition that firms interact with other agents through a mix of market and non-market mechanisms. Thus, the fundamental premise of Hall and Soskice's approach is that firms in a particular political economy obtain a *comparative institutional advantage* based on their strategies for solving coordination problems within five distinct spheres of interaction: (1) industrial relations, which entails wage bargaining and concrete workplace conditions; (2) vocational training and education, which involves the resources that firms and workers devote to the development of specific skills; (3) corporate governance, which applies to the availability of finance between firms and investors; (4) inter-firm relationships, which consist of the coordination between the firm, suppliers, clients, and competitors; and finally (5) employee relationships, which encompass the institutional sociology of the workplace (p. 7).

In the book's Introduction, Hall and Soskice provide basic operational distinctions between two 'ideal-types' of political economies: *liberal market economies* (LMEs) and *coordinated market economies* (CMEs). In LMEs firms rely primarily on market forces, not only to solve problems, but also to coordinate relations between the economic actors and institutions of a country. This variant is mainly typical for the Anglo-Saxon economies, such as Australia, New Zealand, the UK and USA, where there is little coordination of market relations and limited intervention in the economy.

Conversely, in CMEs firms are subordinated to regulations through non-market mechanisms (collective bargaining and legislation, governmental regulations of market flexibility, etc.). This variant is predominant in continental Europe and the Scandinavian countries. Germany, Sweden, and Italy are used in the book as classical examples of extensive coordination of the economy. In absolute terms, however, it is important to note that both of these – almost dichotomous – types of political economies are very much hypothetical, and that all real economies typically feature both market and non-market mechanisms to a much greater extent than Hall and Soskice are willing to consider.

Hall and Soskice strengthen their main argument by incorporating two more elements in their analysis: the role of a country's history (i.e. common knowledge) and culture (i.e. common culture). They postulate that "common knowledge and culture" (p. 13) have had years to develop, solidify, and consequently define practical norms of behaviour and the formal and informal rules of institutional and corporate governance. They claim that these rules tend to be firmly interwoven in and often complementary to the techno-economic development trajectories of both types of economies. Without a doubt, the inclusion of these two, often ignored, 'mega-variables' increases the quality of the analyses by unfolding the complexity of contemporary capitalism.

The book is divided into three parts. Part 1 consists of five chapters that elaborate the general themes or distinct spheres of interaction discussed by Hall and Soskice. In Chapter 2, Kathleen Thelen examines the implications of different labour policies on industrial relations in several CME and LME

countries. In Chapter 3, Robert Franzese analyses how multiple institutional interactions affect unemployment and inflation. In Chapter 4, Margarita Estevez-Abe, Torben Iversen, and David Soskice present the argument in favour of social protection (as a form of governmental policy) that has the power to "rescue the market from itself by preventing market failures" (p. 145). Their main emphasis is on the development of an effective welfare state that not only provides workers with strong incentives to develop transferable skills, but also guarantees fundamental forms of social equality. In Chapter 5, Isabela Mares, explores the conditions under which the 'when', 'why', and 'how' of social policy actually matter to employers. Using realism and institutionalism as the two dominant theories, Orfeo Fioretos concludes Part 1 with an analysis and comparison of different sources of multilateral preferences in the European community.

Part 2 is devoted to specific case studies in public policy. In Chapter 7, Stewart Wood, sets the tone by encouraging readers to look beyond the constitutional and political contexts of CMEs and LMEs and to consider the importance of public policy in the organisation of economic activity. In particular, he focuses on labour market policy in Britain (LME) and Germany (CME) to demonstrate how government policy options can be, and often are, restrained by the different organisational capacities of employers. In Chapter 8, Pepper Culpepper discusses the relevance of the varieties of capitalism framework for facilitating the emergence of decentralised cooperation in apprenticeship training in Germany and France. Bob Hancke, in Chapter 9, examines the shift in the structure of corporate governance in French industry. According to Hancke, the restructuring has been characterised by the disappearance of the old model and the emergence of a new model in which state intervention in the economy is significantly reduced.

Part 3 provides specific case studies on corporate policy. Specifically, in Chapter 10, Sigurt Vitols compares corporate governance in Germany and the UK. The notion of corporate governance is examined in Chapter 11 by Mark Lehrer, whose study looks at macro-institutional differences in the strategic management of several European airlines. In Chapter 12, Steven Casper analyses how the character of contract law in Germany and the USA influences a firm's strategies. The book concludes with Gunther Teubner's discussion of European tendencies towards unification through law in Chapter 13, and, in Chapter 14, Jay Tate's summary of national approaches to standardisation in industry; LMEs traditionally favour global standards arising from a variety of competing sources, while CMEs favour international standards that are centrally and formally coordinated.

What is the main message from Hall and Soskice's book for those who wish to study further the emerging variants of capitalist systems in Central and Eastern Europe (CEE)? First, the two 'ideal types' of national political economies, 'liberal market economies' and 'coordinated market economies' display quite distinct, yet equally strong potential for *building comparative economic advantages*, or in other words, equally strong potential for building *overall competitiveness* in CEE countries.

Second, both 'ideal types' of capitalism have the *market in common as the underlying coordinating institution*. There are still systems of political economies that political theoreticians label 'totalitarian regimes' (Janos Kornai describes them as 'bureaucratically coordinated' systems). What all these systems have in common is that they *displace and dismiss the market as the underlying co-ordinating principle*. As we know, perhaps far too well, many of these economies collapsed as a result of having ignored this principle (among others), and the re-emerging nations are now engaged in the painful transformation to democracy and a market co-ordinated system.

Third, since none of the countries that experienced this collapse had a clear vision

of which 'ideal type' of capitalism they intended to be transformed into, the early stages of building capitalism on the ruins of socialism were full of euphoria, symbols, slogans, and almost unlimited trust in the new political elites, but there were no clear blueprints for consistent reform of the system as a whole. The mission of the former elites was defined very broadly to guide the nations through 'the valley of tears', or from socialism to capitalism, and towards achieving 'prosperity'. Unfortunately, in most cases the transition to 'prosperity' has remained an empty slogan or wishful thinking, and these countries have shown only slow and modest improvement, if not a *decline, in their competitiveness*, a.k.a. of their comparative economic advantages.

Fourth, some analyses, drawing on data from two major competitiveness yearbooks (MDI and World Economic Forum), show that the decline in economic advantage is caused primarily by *low* competitiveness in human resources, an almost non-existent infrastructure of innovation systems, poor flexibility of the labour force, and by certain values and norms. This kind of stagnation has also been attributed to the fact that in most of these countries there is still a very *large segment of the population with only vocational training* (apprentice schools) and an extremely *low number of students in general tracks* of secondary education.

The book quite convincingly demonstrates that there are two distinct systems of education and training, corresponding to each of the 'ideal types' of capitalism. The first type of education system builds on general education, which emphasises *the role of tertiary education for socio-economic mobility*, life-success and job-security. These systems – typical for LMEs – tend to disadvantage those who are not academically inclined; their motivations and incentives are undermined because their educational investments have low returns (much lower than returns to those who follow the 'vocational' or 'apprentice' track in the other system). Therefore, according to Hall and Soskice, this type of education system tends to produce not only a highly flexible labour force, but also quite a few 'losers', or people who fail in the competition for post-secondary education.

The second type of education system builds on *strong vocational training*. These systems – typical for CMEs – tend to provide a relatively stable economic future for students who are not academically inclined or strong. On the other hand, it also produces a significantly lower number of people in the workforce who have tertiary education (in comparison with the most economically advantaged countries), since obtaining a tertiary degree is not an essential and desired component of the system. However, the answer to these problems lies somewhere in between the two 'ideal types'. The Finnish model puts strong emphasis on general education up to 18 years of age, with the option of attending 'vocational colleges' after general education is completed. This model, discussed in Chapter 4, seems to be fairly successful and may be very compatible with both systems of political economy.

Fifth, the issue of building a comparative economic advantage is also strongly correlated with another aspect of public policy, and that is the research and development sector (R & D). In CEE countries particularly, this sector has been more or less paralysed by the underdeveloped forms of cooperation between public (university) institutions and private enterprises (industry, firms).

The above-mentioned comments refer to extremely urgent issues for some of the countries of Eastern and Central Europe because, as the book so convincingly shows, the particular type of education system is an inseparable part of the overall system of the political economy and as such cannot be separated from these discussions. As a consequence, policy makers, politicians, and scholars in these countries should re-open the debate relating to the 'ideal type' of capitalism that their system of political economy is to be transformed into.

In conclusion, we believe that the *emerging capitalist systems* should also be included in the analysis. It would certainly help to develop a consistent theory of post-communist transformation, drawing on the 'varieties of capitalism approach', and at the same time it would contribute to testing this approach against other than well established systems of coordination. Consequently, the real strength of the varieties of capitalism approach consists in effectively bridging the economic, institutional, political, and cultural (historical) dimensions in the analysis of modern socio-economic systems and illuminating the conditions under which nations build or fail to build their comparative economic advantages. *Varieties of Capitalism* succeeds in an all-too-rare academic marriage of business and political economic theory, or in other words, in reconnecting "the new microeconomics to important issues in macroeconomics" (p. 5). The book represents one of the most consistent approaches to the study of competitiveness in a broader historical and political context.

Petr Matějů, Anna Vitásková

Tony Atkinson – Bea Cantillon – Eric Marlier – Brian Nolan: *Social Indicators: The EU and Social Inclusion*
Oxford 2002: Oxford University Press, xvi and 240 pp.

Combating poverty and social exclusion has become an important task in the European Union. The Lisbon European Council in March 2000 established common objectives on poverty and social exclusion, which were then agreed on at the Nice European Council in December 2000. National Action Plans on social inclusion have been prepared by Member States and common indicators agreed on for monitoring progress towards common objectives and for encouraging the sharing of best experience. Following consideration devoted to the issue by experts in the field, the European Council held in Laeken in December 2001 endorsed the first set of 18 common statistical indicators for social inclusion.

Social Indicators: The EU and Social Inclusion thoroughly describes the route to creating and the considerations over what finally became the 'Laeken indicators'. During the Belgian presidency of the EU, a group of researchers, under the charismatic leadership of the outstanding British scholar in social policy Sir Tony Atkinson, gathered together previous experiences and submitted common approaches to measurement of poverty and social exclusion to critical analysis. After a thorough examination of current knowledge and experience, the authors formulated 33 recommendations for the construction of indicators and, in the end, also defined them and outlined the actual shape they are to take.

After 'setting the stage' in Chapter 1 by delineating the scope of the book's analysis, the rest of the work is organised into eight chapters (2–9). In Chapter 2, the principles of indicators and their properties are described and set on a general level. The authors posit six basic principles, starting with a clear and accepted normative interpretation and ending with feasibility of data provision. Another three criteria concern the portfolio of indicators: their balance across different dimensions, mutual consistence and proportionality, and their transparency and accessibility to EU citizens.

One should note that the principles of the construction of indicators are indeed demanding and sometimes might even be conflicting – e.g. the requirement to identify the essence of the problem by maintaining transparency and easy comprehension. Indeed, the European Commission asks for indicators that are 'easy to read and understand' – the question arises, then, whether we can really capture the essence of problems with simple indicators. It is a challenging task, and what is then required is to enhance statistical capacity, particularly in terms of good surveys among households,

together with contextual and complementary data.

After laying out these principles, the more specific properties of indicators are considered with regard to various options. Among these is the choice between individuals and households as observation units, between relative and absolute, or static and dynamic approaches, between national and EU-wide indicators, stock and flow, levels and changes, and subjective and objective indicators. The authors make some important decisions here and put forth as recommendations. They then provide a brief description of the indicators applied in the EU-15 countries (Chapter 3) in areas of financial standards, education, employment, health, housing and social participation. It should be noted that there is remarkable amount of research in almost all the old EU member countries devoted to the topic and providing regular reports on the social situation.

The next, quite brief, part (Chapter 4) presents the portfolio of indicators the authors recommend for use in social inclusion targeting and assessment. They propose three levels of indicators – level 1 of lead indicators, level 2 of supporting indicators (both comparative), and level 3 of national indicators left to the discretion of individual member states. Ten indicators were chosen as the lead ones for the first phase of social inclusion process. Authors take into account various circumstances and check cautiously many problems and risks. Therefore, they also consider the list as preliminary, subject to further research and experience, followed by critical assessment and new recommendations (already prepared for 2005 under the Luxembourg presidency).

Two subsequent chapters deal with the complex problem of poverty. First, in Chapter 5, conceptual and measurement problems of poverty are presented and various indicators assessed from the following points of view: how well they tackle the essence of a problem, how robust they are and how statistically reliable, how responsive they are to policy interventions, and how comparable and feasible they are for statistical procedures. What is recommended in the end is the relative measurement of the poverty risk using the individual as an observation unit and setting the threshold at equivalent household income.

In Chapter 6, an analysis is made of some frequently neglected issues relating to poverty persistence (temporary income insufficiency is not necessarily poverty) and the poverty gap (which rounds out the simple head count of poverty with the measurement of its depth). Deprivation indexes that go beyond the simple monetary indicators are also considered. These can be used either autonomously or in combination with income indicators. In spite of some previous efforts to create comparative indices (e.g. the deprivation index set by Eurostat and based on affordability of regular meat dishes, new clothes and holidays), the authors have designed their indicators on a national level (level 3).

A brief, final section in this chapter presents the basic measurements of income inequality and concludes with the recommendation that the ratio of the top and bottom quintile share of equivalised income be used as one of the main indicators. In fact, however, the story behind all leading indicators of poverty (except non-monetary deprivation indices) is about inequality of household income. Therefore, in the end, indicators of relative poverty are just a part of the examination of income inequality, with all the measurements and data availability problems associated with it. Thus the story might be told in reverse, i.e. by describing income hierarchy first and determining the 'right' cuts to various poverty risks next.

The next chapter (Chapter 7) deals with education, employment and unemployment. In addition to education levels, it also devotes attention to differential access to education "with a specific focus on parents' level of education and costs of education" (p. 135). The new EU statistics on income and living con-

ditions (EU-SILC) should include parents' education levels – variables that to date have been reserved for the study of social stratification. Along with the difference between employment and unemployment, the authors also consider under-employment and the working poor as possible sources of poverty.

The list of areas in which social exclusion can appear continues with an enumeration of access to "health and housing and wider dimensions" (Chapter 8). Those 'wider dimensions' include access to private and public services, and social participation/isolation, all topics only scarcely covered by social statistics to date. However, they also include financial precariousness (an indication of the inability of households to raise a specified sum in the case of an emergency), which I would locate rather in the financial poverty field. Similarly, problems related to functional literacy and numeracy appear here instead of being included in the education block.

The last chapter (Chapter 9) deals with the co-ordination of the process on the European level. All indicators are considered as dynamic ones and open to further refinement and completion. In particular, fields that are as yet poorly developed and need further research are pointed out – such as non-monetary indicators of deprivation, differential access to education, housing costs, homelessness and precarious housing, literacy and numeracy, access to essential services, and social participation.

The relationship between indication and policies, which is often neglected, is explicitly tackled here. While only several pages are devoted to this issue they are nonetheless of crucial importance. The general problem – how to indicate the impact of a policy – evokes fundamental questions: Was a change caused by a policy or by other circumstances? If by a policy, was it a particular recent policy or policies adopted in the past? The time lag between indication and policy, relates not only to a lag in policy impact but also to survey data. The authors also query the possibility of governments focusing on improving performance that is measured by an indicator instead of focusing on improving the system as a whole.

The critical stance taken by the authors and the questions and doubts that they raise in the book is probably the most appealing side of this remarkable and highly useful study. The authors are not only knowledgeable about the matter in all its complexity, but they are also capable of looking at it from a distance and anticipating the possible risks of insufficient indication or feedback between indicators and policies. It is nice to read the recommendation – after so meticulously considering all the methodological details of indicators – that one should follow indicators "not to the letter but to the spirit" (p. 185). The entire societal context and political commitment should of course be taken into account, but then the portfolio of indicators needs to be much larger.

I can only add here that national research needs to develop into a multilevel and in-depth analysis, a point that is implicitly present in the book. Each step beyond basic statistical indicators generates immense problems of data availability and cross-national comparability. Therefore, to approach the inclusion process realistically, we need to bring in more sociology, referring to the social structure (i.e. a broader context that frames both the input and the output of the inclusion process), providing a rich picture of reality (multidimensionality and the use of various information sources), and also devoting thought to social consciousness (public awareness, legitimacy of transfers and supports).

Jiří Večerník

Mary Ann Mason – Arlene Skolnick – Stephen D. Sugarman (eds.): *All Our Families; New Policies for a New Century, Second Edition*
Oxford and New York 2003: Oxford University Press, 310 pp.

This book, now in its second edition, has grown out of a monthly seminar on family studies at the University of California at Berkeley, bringing together scholars from various fields and disciplines. The thirteen authors are drawn from the fields of social work and social welfare, psychology, history, law, public health, public policy, sociology and gender studies. As one would expect in so broadly defined a collection, its excellence lies more in the raising of questions and perspectives than in the pursuit of any single analytic theme.

It starts appropriately with single-parent families. This chapter advances two arguments, which are taken up again in subsequent chapters. First, single-parent families are of many kinds and come in different forms. Many single parents are poor, but not all, and some are rich. Single parents are often single mothers, but there are also single fathers. Some parents are single because they start their parental career without a permanent partner, others because of divorce or abandonment, and others again live in some form of more or less stable cohabitation. Families, no matter which sub-category we look at, are always *different.*

Second, 'much of our current policy focus is on parents'; suppose instead, say the authors, that policy attention were aimed at the *children.*

The next chapter is on families started by teenagers. Here we are reminded that teenage childbearing was more common in the 1950s and 1960s than now, but that more teenage mothers were then married. Today's teenage mothers are often from a deprived background, and pregnancy is sometimes an exit strategy and a route into adulthood, sometimes seen to be the only one available. The fathers are less often teenagers and mostly live apart from their children (although many have regular contact at least while the children are young). Many teenage mothers face a life in greater or lesser poverty, with the obvious consequences this holds for their children, but it is argued that this is explained more by socio-economic background that by teenage pregnancy and childbearing as such.

The chapter on children and divorce emphasises the mostly disruptive consequences for children. Three protective psychological factors for children are identified: a reasonably harmonious parental relationship, the sensitivity and commitment of each parent to the child, and the intactness and morality of each parent. These protections do not *necessarily* depend on the parents living together, but 'tragically, all three are subject to assault by divorce, during its overture, at the time of the breakup, and throughout its long aftermath'. The author underlines the rights and needs of children and argues the need for better institutions to help and support parents who face the risk or inevitability of divorce.

Many families today are stepfamilies in one form or other. Stepfamily relationships contribute importantly to lifting single-parent families out of poverty. On the other hand stepparent-stepchildren relationships are often less strong and nurturing than those in non-divorced families, and stepchildren do less well than others in school. The stepfamily, although now commonplace, is still 'poorly defined by law and social norms'.

Who is the father? This question is often surprisingly difficult to answer. For one thing, it is not always known. Women may have had several partners, even married women: 'the professional consensus is that the rate of parental discrepancy for couples in stable unions, whether legally married or cohabiting, is from 10 to 15 percent'. Furthermore, the biological father may not be the social father. This raises complicated

moral and legal questions about just what rights and duties should follow from biological parenthood in itself, and what rights and duties should arise out of social parenthood. These questions are all the more difficult in the case of surrogate fathers, and for that matter even mothers, in certain forms of modern medically assisted parenthood.

A very recently recognised phenomenon is that of gay and lesbian families, which is here treated in a separate chapter. This is of course an intensely controversial issue. With the social acceptance of homosexuality there has followed an acceptance of homosexual partnership and cohabitation and from there a demand for the right to gay and lesbian family formation, marriage and parenthood. The counter-arguments are frequently moral and religious, but when it comes to parenthood also functional: children benefit from the combined experience of male and female parenting. That position is here rejected: 'The quality, not the gender, of parenting is what truly matters'. This view is supported by research, which may or may not (yet) be of sufficient quality and quantity to support such an unambiguous conclusion.

A separate chapter explores parental kidnapping historically. Although it is not known how prevalent parental kidnapping was in the past, it is certainly not a new phenomenon. It probably increased during the 20th century as divorce increased, but it has probably also changed in meaning. Parental kidnapping has, according to this author, come to be perceived and portrayed as evidence of the family as a pathological environment, in which children are hostage to parental selfishness. Parental kidnapping has become 'a vehicle for expressing wider anxieties about the family'.

Writings on 'the family' often deal with problem families. A chapter in this book has the opposite take: it looks at the situation of entirely normal families in their most normal situation, that of freely chosen family formation and transition to parenthood. That situation, it finds, holds unexpected risks for the partners' and their children's development. In consequence, the support of appropriate family policies is argued not only in the case of problem families but also that of 'normal' families. Parenting is a difficult job. There is nothing 'un-normal' about the 'normal' experience that people with a difficult job to do often need help in order to do that job well.

Another chapter deals again with family normality: working families. Working families today are increasingly families in which both parents work outside of the family. This transition has happened rapidly, and we have not yet caught up, either with our ideas about the organisation of family life or in terms of social security and family policy. The author argues a case for what he calls 'a social partnership model', based on equal rights, individualism and social choice. In family policy the implication, it is argued, is the individualisation of social security rights and the use of cash support beyond service support for parents, so as to advance their ability to make their own choices in family organisation.

Modern economies are migrant economies; the consequence of this for family policy is that the 'immigrant family' emerges as a separate category. As elsewhere in the book, diversity is a central theme. Many immigrant children are well adapted to American life and do well in their alien environment. But others are at risk of getting trapped in a downwards spiral towards an underclass existence. The United States has a complex immigration policy based on eminently generous immigration laws but 'nothing at all resembling an immigrant policy'. Acquiring that kind of policy would mean 'sustained change in educational, health and mental health policies that protect immigrant children's rights, reduce disparities and foster opportunities for their strong integration into society'.

A separate chapter deals with the difficult issue of the care of children of abusive and neglecting parents. The consequences

for children are partly physical and partly psychological and behavioural problems. In recent decades we have seen both an increasing awareness of child abuse and neglect and a strengthening of the rights of children. This chapter takes very much a rights view also in the care of children who have suffered abuse or neglect. It argues the importance of legal permanency, which is to say that children in need of care are very much in need of being able to feel safe, for example, to feel secure that he or she is not subject to the possibility of being taken from a placement at any time with little warning. This is to argue against what is called an overemphasis on psychological permanency, a theory that is seen as threatening to undermine the rights and legal permanency of particularly vulnerable children.

The final chapter returns to the very concept of parenthood and shows that parenthood can be understood in several ways. There is biological parenthood, social parenthood and moral parenthood. Here, there are possible discrepancies between public attitudes, which are changing, and the law, which often lags behind social change. The American public, it is suggested, has moved towards a functional definition of the family and defines family values as being about loving and caring relationships rather then being based on a formal model of the two-parent family and their biological children. In response, there is a need to modify family law to better reflect current popular attitudes about family and family morality. This should be done gradually and cautiously in a process of continuous collaboration between the legal community, developmental researchers and social and public health scientists.

All Our Families is about the state of the American family, or rather *families*, as the editors remind us we should say. It starts from the premise that there is 'something seriously wrong' in an approach that takes the breakdown of the family as a simple social fact. Their perspective is change in family life, not breakdown. The focus is on families that are in the midst of raising children. Child and family insecurity is the theme that runs through the book, and the response to that theme is to improve family policy, in a very special meaning. The editors encapsulate the argument of the book in declaring a need in the United States for 'a more child-centred family policy'.

This is an excellent collection of modern liberal and more or less social-democratic thinking about families and family policy. It is a veritable compendium of ideas and perspectives in family studies and family policy.

Stein Ringen

David Rock – Stefan Wolff (eds.): ***Coming Home to Germany? The Integration of Ethnic Germans from Central and Eastern Europe in the Federal Republic since 1945***
New York and Oxford 2002: Berghahn Books, 234 pp.

After 1945, the 'German question' began to surface in three basic forms. It focused on how to overcome the division of Germany into two states after 1949, how to find connections with or links to the territories that formerly belonged to Germany, or those inhabited by members of German-speaking minorities, and finally, how to integrate millions of refugees, expellees, and evictees into German society. In its series on Culture and Society in Germany, Berghahn Books has published a volume of studies that investigate the post-war 'retrograde migration' of ethnic Germans under the title *Coming Home to Germany? The Integration of Ethnic Germans from Central and Eastern Europe in the Federal Republic since 1945*, edited by David Rock and Stefan Wolff.

The end of the Cold War and the subsequent bipolar arrangement of Europe to a certain extent gave rise to the 'return of Central European history', and specifically to the recent trends stemming from the post-war division of Germany and the expulsion of

groups of ethnic Germans, which involved drastic intervention in the ethnically and historically diverse and complex environment of the continental centre. Owing to the rapid disintegration of the wartime Allied coalition and the subsequent East-West conflict, these historical changes were either not reflected at all, or were reflected only partially, or in a strongly ideological form. The reviewed publication provides a contemporary reflection on the post-war migration of German-speaking inhabitants from the countries of Central Europe in connection with the German question.

After the reunification of Germany in 1990, European policy found itself once again confronted with the 'German question', which had previously been a dominant issue in the 19th and 20th centuries, partly due to the fact that, until the formation of the First German Reich in 1871, Germans had never lived in one state, and partly in connection with the outbreak of the two world wars. But, as the authors argue, whether introduced in connection with security, integration, or diversity, the German question has always been based on the unresolved problems concerning the relationship between the nation and its territory, inaccurately symbolised by the joining of two concepts within the German term *Kulturnation*, as a product of German Romanticism and the German *Staatsnation* (p. x).

In the period before the First World War ethnic Germans were in a dominant position not only in Germany, but also in the entire Austrian-Hungarian Empire (but not in Russia, where they were always in the position of a minority). This status changed radically with the introduction of the system set up in the Versailles Treaty, which significantly altered Central Europe, especially its political geography. Several successor states were created, each of which had large German-speaking minorities that lost their original status as members of the ruling nation. The largest such groups were the ethnic Germans in Czechoslovakia (3.7 million) and Romania (nearly 1 million). The First Reich was dispossessed of some parts of its territory in the East, Upper Silesia was divided between Germany and Poland, and the Gdansk Corridor, which gave Poland access to the Baltic Sea, separated eastern Prussia from other parts of the Weimar Republic. A number of decisions made after the First World War solved some aspects of the German question, but many other aspects were ignored or created, and these were centred largely on the problems of the groups of ethnic Germans (p. 7).

The Second World War brought the first great wave of forced migrations in the form of Nazi settlement plans, which led to the consolidation of ethnic Germans in the 'core territory', specifically western Poland, which was ethnically cleansed of Polish inhabitants (p. 9) and where nearly a million ethnic Germans were settled in their place. Plans to 'strengthen German citizenship' were gradually implemented in other occupied countries, including the Böhmen und Mahren Protectorate. In 1941 ethnic Germans in the Soviet Union were deported to Siberia and Central Asia, and even after the war they were still denied the right of return. In the last phase of the war, millions of ethnic Germans inhabiting large areas of the states in Central and Eastern Europe found themselves running from and in fear of reprisal on the part of the victors, or were evicted, deported and later systematically displaced on the basis of the Potsdam Treaty.

In this book, Stefan Wolff offers a new approach to the German question, focusing on the moment when millions of people experienced the traumatising process of economic, social and political uprootedness, irrespective of the scope of individual guilt, arriving in the environment of a devastated and occupied post-war Germany. He explains (p. 9) that no matter how successful the assimilation of newcomers was, German society, as a whole, has never fully understood the suffering of the displaced persons or the historical and cultural traditions they

brought with them, which were part of their sense of German cultural identity. In this light, it is quite understandable that contemporary German society is now going through a trend of 'discovering' displaced persons, who are currently at the centre of attention from the media, politicians and social science researchers, especially in connection with the debate that has been under way since 2000 over the establishment of the Berlin Centre against Expulsions. The fates of refugees from the 'Eastern territories' have become the subject of German fictional and documentary works (e.g. Gunter Grass: *Im Krebsgang*, K. E. Franzen: *Die Vertriebenen*), in which the subject matter has restored German identity within modern history to a position where it is possible to grasp Germans not just as perpetrators but also as victims. From the social point of view, this emancipation is desirable and legitimate; however, its political consequences in the form of re-nationalisation remain unpredictable.

In this connection Stefan Wolff notes that the domestic debate on the topics of expulsion and the political rhetoric of the representatives of evictee organisations complicated the process of accession to the EU for the Czech Republic and Poland. The author interestingly points out that German society's inability to cope with expatriation in the post-war era, and again after the re-unification, gave rise to *selective explanations* of history among some evictees and their descendants, whose interpretations of history exclude nearly everything that preceded the deportations. Wolff claims that the transfer, and everything that followed, is one classic example of the multidimensionality of the German question, which has lost none of its European and international relevance even today.

The book by Rock and Wolff is a collection of studies divided into two parts. The first part is devoted to the historical, socio-political and legal dimensions of the process of the integration of refugees, evictees and expatriates into the Federal Republic of Germany, and the second part examines, through an analysis and interpretation of artistic work (as a medium, featuring themes of migration or integration), the transitive process of the cultural metamorphosis of German minorities and how they became part of the German national culture. In the introductory chapter Stefan Wolff points to the key role of contemporary changes in the definition of who is considered to be German. Here he poses the more general question, 'What and where is Germany?' (p. 3). The Act of 1913 defining citizenship stipulated that only descendants of German citizens are Germans. This blood law (*ius sanguinis*) was mainly aimed at supporting and preserving the ethnic traditions of the German nation state. The following three terms determined German legal and political thought at the time: *Staatsangehörigkeit*, the affiliation defined as a formal legal relationship between a citizen and the state; *Staatsbürgerschaft*, state citizenship defined as a participant's membership in society; and *Volkszugehörigkeit*, defined in terms of ethnic and cultural identity.

It was this last category that was exploited by Nazi ideology under the Third Reich, which stressed the folk (*völkisch*) type of ethnic loyalty (incorrectly translated as ethnological), by which means it also severed the loyalty of ethnic Germans to the other states they were part of. Here also lie the roots of the tragic post-war solution to ethnic problems by transferring ethnic Germans to German territory. The ever-increasing demands of German national minorities became a tool for Nazi expansion into Central and Eastern Europe. Wolff notes that an understanding of developments after 1945 requires knowledge of the historical development that ethnic Germans 'created' outside Germany. It was the Versailles Treaty in particular that kept the German question open, albeit in modified form, and yet another dimension was added to it after the end of the Second World War, when large groups of ethnic Germans were expelled from Central and Eastern Europe: by 1950, nearly fourteen million

ethnic Germans had been dislocated (either by spontaneous flight or by violent deportation), nearly two-thirds of whom settled in what was to become the Federal Republic of Germany. Despite fears on the part of the Allies administering the occupied zones of Germany, the evictees ultimately became a factor of economic growth and significantly contributed to the subsequent 'economic miracle' of West Germany.

The geopolitical reality of victory enabled the ruling powers to deal with the German question more easily, if by no other means than its marginalisation in the fight for global ascendancy over the spheres of influence in the pending East-West bipolar conflict. The Allied occupation of German territory and tight control over the political process, including the division of the country and the inclusion of its western and eastern parts into the two Cold War blocs, were also means of dealing with the German question, which at that time figured as a priority in FRG foreign policy in its effort to facilitate the immigration of the largest possible number of remaining ethnic Germans.

The remarkable outcome is that German society succeeded in accepting millions of people in several waves; often people who claimed only a formal allegiance to German culture and language, or who were from totally different kinds of environments, from the countries of Central and Eastern Europe, and often with only vague ideas about the target country, low professional qualifications, and inadequate knowledge of German. Since 1990 a united Germany has been striving to improve the level of protection for German minorities still living in the countries of Central and Eastern Europe. But neither of these approaches is without problems. Particularly in the case of the large numbers of immigrants that came from the former Soviet Union after 1993 (when the legislative framework was changed) the efforts towards integration into German society have been significantly inadequate, mainly owing to their poor language skills or lack of qualifications and the numerous social consequences of these facts (such as self-ghettoisation). The deteriorating economic situation in the Federal Republic of Germany, along with growing xenophobia among the German population, has significantly complicated the process of assimilation of Eastern immigrants in the 1990s.

Chapter 2 offers a significant contribution to better understanding the social processes behind the integration of the ethnic Germans from Central and Eastern Europe in the structure of post-war Germany (Federal Republic of Germany). R. Schulz, who has long studied the subject of integration, deals with 'The Conflict of the Past and the Present in Individual Identities: The Case of German Refugees and Evictees from the East', and based his contribution on research on the personal stories of post-war settlers in the German rural area of Celle, situated north of Hanover. At the beginning of 1945 refugees and evictees began migrating to this area from territory east of the Odra-Nisa line, and by April 1948 they numbered more than 42 000, compared with the 86 000 'old settlers'. At the time of the research (1991) the new settlers and their descendants accounted for more than one-third of the total population in the region. The author hypothesises that in spite of initial difficulties ('Here in Celle we had nothing – no contacts, no money, no influence. We were foreigners – *Rucksack Celler* – and they did not accept us.' (p. 43)), this social group, officially designated as evictees (*Vertriebene*), became fully integrated in the new environment over the course of the 1960s, and even more so in the 1970s, after which the differentiation between native inhabitants and newcomers completely disappeared (p. 41). In some places, however, local environments remained closed to evictees for decades, and they were often referred pejoratively as 'Polacken'. Moreover, the respondents in the research themselves could still present detailed recollections of their former homes in the East, and even fifty years after departing more than one-half of the refugees

and evictees in the Celle area considered their place of birth as their home (*Heimat*).

R. Schulze's research on biographical identities (*Nachkriegsleben in einem landlichen Raum*) suggests that the experience of expulsion and the arrival in a new environment become thereafter the determining factors in the lives of people subjected to such an experience. This experience also serves as a strongly motivating factor in the choice of profession (the willingness to take on a heavy workload) and correspondingly influences the standard of living and social growth. The research presented in the book shows that respondents strongly emphasised the fact of having attained a higher level of education, in their own lives and more so in the lives of their descendants. Owing to the modification of their identity they defined themselves more in terms of their profession, personal interests and family networks. The interviews revealed that full integration (in terms of internal identification with the new home in the West) had not been achieved and would probably be impossible for the generation that experienced the process first hand (*Erlebnissgeneration* (p. 48)).

The shared fate of expulsion from the East generated interest in 'landsmannschaft' organisations, the existence of which was supported by the Evictees Federal Act of 1953, which set the federal government with the duty of preserving the German cultural heritage of refugees and evictees. In compliance with this, each town in the Federal Republic of Germany with any population of migrant ethnic Germans was expected to have its 'twin' in the East. But despite enormous support (both economic and political), evictees have remained voluntarily excluded from the generally accepted collective history of Western Germany, which is primarily formed by the majority population (p. 50). The fact that evictees had become part of the historical roots of the Federal Republic without being incorporated within its memory was a generally or even intentionally ignored fact, which is undoubtedly associated with the phenomenon of the 'newly discovered' identity with the united Germany as the frame of reference for discourse since 2000, whether in domestic German debates, in the relations of the Federal Republic of Germany with Poland or the Czech Republic, or in connection with the Union of Expellees' demands for the establishment of a Centre against Expulsions. However, here the authors have omitted any reference to the standpoint of Jewish organisations (Jewish Claims Conference, etc.), which reject on principle this interpretative framework of modern German history (arguing that the systematic murdering of Jews cannot be compared with the eviction or expulsion of groups of ethnic Germans). Schulze's study shows that the 'expellee factor' remains a major theme for both politicians and the evictees themselves, and for German society as a whole. The interest expressed by politicians from all the German parties is itself sufficient proof of this.

The second part of the publication deals with the integration of the cultures of the German minorities into national culture of Germany (*The Transition from German Minority Culture to the National Culture of Germany: Art as a Medium to Address and Express the Challenges of Migration and Integration).* While a less traditional perspective, this part helps to 'de-ideologise' the subject, which is primarily understood as a political issue. Chapters 7 to 10 offer an analysis of the work of the contemporary writer Richard Wagner, who emigrated from Romania to the German Federal Republic in 1987, where his work has been greeted with great public acceptance. Wagner defines himself as a Central European, since, as he says, 'Central Europe is the only concept reflecting the enormous variety that exists in Eastern Europe' (p. 129). His Berliner Central European citizenship is a somewhat striking approach to the unified German identity. Wagner cites the strong spirit of cosmopolitism that exists in Berlin in contrast to the idea of the national culture of Germany he brought with him from the

periphery environment of the Banat Swabs, and he considers the two poles of these different environments to be the key to his own literary work. In this section Wagner also provides valuable information about the relationship of both groups of Romanian Germans (Banat Swabs and Transylvanian Germans) to Romanian statehood and culture.

From the Czech perspective the most interesting part of the second half of the book is Chapter 13, where K. Tonkin analyses the origin of the Sudeten German identity and its development after the Second World War. In a brief historical survey of the genesis of Sudeten German identity, he notes that, after the establishment of Czechoslovakia in 1918, ethnic Germans in Bohemia and Moravia felt the need for unification in order to defend their political interests. It should, however, be noted that from the works of Czech historians it is clear that the Czech Germans had begun unifying intensively as early as the end of the 19th century, and the political polarisation contributed rapidly to their further unification.

These and other statements suggest that Tonkin has to a certain extent been influenced by the interpretations of some German historians. This may be the result of the long absence of relevant works from Czech historians on this subject in English translations. The chapter contains, however, some valuable findings; for instance it points out some specific features of the Sudeten Landsmannschaft in comparison with some other landsmannschafts. Sudeten Germans brought a strong awareness of belonging to a group and traditional political activism to their new home. Unfortunately, the book is lacking a more detailed analysis of these problems, e.g. as quantified in hierarchical definition factors by the Dutch historian L. de Jong (*The German Fifth Column in the Second World War*. London 1956). At the end of the chapter the author argues that the political factor of Sudeten German identity has been losing strength over the last thirty years, and conversely, its more vital, geographical dimension (place and customs), considered by the author to be of more significance and permanence, has experienced a revival (p. 208).

In the conclusion to the book S.Wolff notes that German ethnic minorities were perceived between the two world wars as a security risk in the states whose territory they inhabited, and he comments on the role of the Sudeten Germans as follows: 'Although some of them took part in the resistance movement against Nazism, both at home and in exile, a significant number of their participants also took an active part in German "war efforts" and contributed to the very idea of looking at ethnic Germans as the fifth column and "willing executioners" of Nazi politics in their home countries that formed attitudes of inhabitants of neighbouring non-German states and created the climate that resulted, after 1945, in mass displacement" (p. 222).

The book's overall value is enhanced by the inclusion of numerous tables, it can be recommended to anyone interested in the problems of ethnic minorities. It is worth noting here one error the authors made in the data in the table on the numbers of evicted persons, where in the case of Czechoslovakia it is indicated that 220 000 people perished in the course of deportations and transfers; this figure, which has been used for a long period of time by the Sudeten German Landsmannschaft, is unreliable and is nearly ten times higher than the figure from reliable data presented in respected studies by both Czech and German historians. On the whole, however, the publication contributes to understanding the motives behind the contemporary discourse within Germany on evictions and transfers and the character of the arguments the main actors in the debates employ. The book elaborates a topic that holds important implications for the Czech environment and is an important factor in current Czech-German relations.

Václav Houžvička

Movements of Entrepreneurship – A Workshop Held by ESBRI in Tällberg, Sweden, June 2004

In June 2004 the Swedish-based Entrepreneurship and Small Business Research Institute (ESBRI) held what is now the third *Movement of Entrepreneurship* workshop in the picturesque village of Tällberg, Sweden, located on the shore of Lake Siljan, about 250 km northwest of Stockholm. Founded in 1996, with the financial support of the successful Swedish entrepreneur L. Lundblade, the aims of ESBRI are the promotion of research and the development of undergraduate and graduate education, and it also participates in public debates and the dissemination of research results among specialists and the general public. The first such workshop was held in 2001 and resulted in the publication of a book titled *New Movements in Entrepreneurship* (published by Edward Elgar Publishing). At the second workshop participants contributed to the preparation of the book *Narrative and Discursive Approaches in Entrepreneurship* (also published by Edward Elgar Publishing). D. Hjorth (ESBRI and Malmö University) and C. Steyaert (St Gallen University and ESBRI) are the editors of both books, and they are also responsible for organising all the workshops.

This year's meeting in June was called *Entrepreneurship in New Territories: Towards New Groundings*. Participants were invited to reflect on the spatial anchorage and social roots of entrepreneurship and the theoretical bases of entrepreneurship studies. In four sessions, eighteen contributions by twenty-four authors from a number of European countries, along with the United States and Canada, were discussed at the meeting. Participants were expected to present in-depth and insightful contributions on this year's theme, and the programme included theoretical and empirical work, and contributions based on the application of various theories and methodology (from the systemic approach to ethno-methodology). For example, L. Ramfelt, from the Royal Institute of Technology in Stockholm, presented a portrait of the two-faced nature of the world-famous centre of innovation, Silicon Valley, where the image of a big open network of talented people is contradicted by the presence of more or less exclusive clubs, and the notion that every individual of ability and with good ideas can succeed is qualified by a specification – everybody, that is, who has graduated from Harvard, Stanford or has worked for companies like Sun Microsystems or Hewlett Packard. Even the resources necessary to start up a high-tech project cannot be obtained without the right 'keys to the treasury'. K. Berglund of Mälardalen University pointed out the difficulty of constructing an entrepreneurial identity for people who are trying to start up firms in a region which is considered less favourable in terms of entrepreneurship and whose characteristics do not fit with widely accepted models of entrepreneurial personality. Similarly, M. Lindgren and J. Packendorf of the Stockholm School of Economics and the Royal Institute of Technology, respectively, made a case study of the contact and jostling that went on between the initiators and organisers of the most important rock festival in Sweden and the local community, and examined the transformation of the event's activities from a punk rebellion into an entrepreneurial project aimed at contributing to local development. One whole session was also dedicated to so-called social entrepreneurship. J. Mair and I. Martí, from the IESE Business School, dealt with the conceptual differentiation of social entrepreneurship from other social initiatives on the one hand and from business entrepreneurship on the other. P. Dey contributed with a deconstructionist discourse analysis of various conceptualisations of social entrepreneurship. And on the basis of a study of small non-governmental organisations and their leaders, Ellen O'Connor of Stanford University broadened the theory of opportunities to include social opportunities that are rooted in social relationships.

One of the most important features of the whole meeting was the prevailing environment of discussion. There were also exceptions, which used a different form of presentation. The first such example, by P. Frankelius of Örebro University, presented the transformation of a former stone pit near Tällberg into an open-air opera stage named Dalhalla. On Saturday evening the workshop participants were able to watch a performance there that combined opera arias with the local folk music. On Sunday afternoon T. Hernes from the Norwegian School of Management delivered a contribution called 'Dynamics of Space: The Persistent Question of Stability and Change', and in the Monday session Ellen O'Connor talked about 'Perspectives on Research in Social Entrepreneurship'. But the workshop was not intended primarily as a forum for presenting groundbreaking and interesting studies. The contributions were sent to participants in advance, and they were presented at the workshop in condensed form. First, two pre-prepared comments on the text were delivered, and then a broader discussion was initiated. This way each author was able to obtain maximum feedback from the other participants. The discussions often continued long after the official programme and into the evening.

The contributions from the workshop are to be rewritten into publishable texts, which will be submitted to a regular process of peer review. The papers that receive the best evaluations will then be published, as in previous years, in a collection by Edward Elgar Publishing. The ESBRI organisers are planning one more workshop, which will probably take place next year. In this year's meeting I was the only participant from a post-communist country, although, in the original list of contributions, there were two others, dealing with the areas of the Balkans and Turkey. However, there were no representatives from, for example, France or Germany. The relatively high participation fee may have discouraged researchers from the post-communist countries. There are also probably many potential participants who missed the invitation to the workshop. It reached me by means of an announcement in 'Economic Sociology – European Electronic Newsletter' (http://econsoc.mpifg.de), a site to be recommended for anyone interested in economic sociology.

Researchers from Western countries are less interested in the events going on in Central Europe now than CEE researchers became accustomed to after 1989. To maintain cross-regional contact we need to be the subjects, engaged in social research, and just the objects of social research. The topic and the contents of the Tällberg workshop may be inspiring to readers in at least three respects. First, the workshop promotes the extension of the usual boundaries of individual disciplines and provides inspiration that transcends any particular field of the social sciences. In the Czech Republic, specialists with a reputation in both economics and sociology are rare, and there are only a few exceptions. The contacts between these two fields, and even between the relevant university departments, are weak. Second, the growing selection of traditional MBA studies in the the Czech education market mostly bypasses or even avoids the directions that studies of this type usually take in the works of interpretatively oriented authors. The latter draw less on the principles of positivism and mathematics, and on the contrary work more with language; in general their work more closely resembles interpretative approaches. Third, the topic of entrepreneurship has been more or less exhausted in privatisation studies and the results of that field. The post-1989 desire and need to cut through the tangle of economic and political relations carried over from the communist regime was easily embodied in the notion that economic life is an autonomous space, and that it should be studied as such. The weaknesses of such an approach emerge, however, when we try to explain the issue of corruption, local differences in the unemployment rate, or different

entrepreneurial strategies, etc. Meetings like the ESBRI workshop in Tällberg offer a different perspective and foster open discussion. And this is no small matter.

Dan Ryšavý

Theory and Practice in the Analysis of Longitudinal Data (QMSS Workshop/Seminar)
University of Southampton,
19–27 August 2004

From August 19–27, 2004, the University of Southampton in the United Kingdom became the venue for a workshop on Theory and Practice in the Analysis of Longitudinal Data. The workshop was organised by the European Science Foundation as part of the programme Quantitative Methods in the Social Sciences. Applications to participate in the QMSS workshop/seminar were invited from highly qualified junior scholars, who either research quantitative methods as such or use them in their social-science research and need to broaden their skills. Only applicants from the nineteen European countries with organisations supporting the QMSS programme were considered for participation. For further information about the QMSS programme, see the European Science Foundation website (http://www.esf.org/qmss).

The course was one in a series of twelve planned workshops intended to enhance the knowledge of junior researchers with regard to the latest developments in quantitative methods. The focus of this course was 'event history analysis'. It was split into two modules: a one-week series of lectures providing a strong theoretical background on this subject, followed by a two-day, hands-on seminar devoted to the analysis of real-life data. The workshop was led by two senior researchers of international acclaim in this field: Hans-Peter Blossfeld (Otto-Friedrich University Bamberg) and Goetz Roehwer (Ruhr-Universitat Bochum). The afternoon practical sessions were led by Karen Kurtz (Otto-Friedrich University Bamberg).

Hans-Peter Blossfeld is a professor of sociology and the editor of the European Sociological Review, and he has published numerous books and articles on quantitative social research methods and statistical methods for longitudinal data analysis, and many other topics. Goetz Roehwer is a professor of social research methods and statistics and is co-author of the Transition Data Analysis program (TDA), which was used in the course. The QMSS course drew heavily on the book by H.-P. Blossfeld and G. Roehwer, *Techniques of Event History Modeling. New Approaches to Causal Analysis* (LEA 2002).

The course started with an introduction to types of longitudinal data and methods of longitudinal data analysis. Event history analysis allows researchers to analyse longitudinal data in cases where it is expected that previous experience could influence subsequent outcomes. It is designed to consider multiple risks which can be interrelated. A somewhat similar technique, path analysis, is suitable for continuous dependent variables only, which is why this approach has been heaped with criticism in recent years. The seminars were practical computer-based sessions using a single data set. At the end of the workshop the participants took part in a two-day seminar on the topic addressed in the workshop. The speakers included leading international researchers in the field (e.g. John McDonald, Chris Skinner, Fiona Steele, Alessandro Rosina).

Located in the heart of Hampshire, on the southern coast of England, the University of Southampton proved to be a very pleasant and inspiring venue. It is also home to the Statistical Sciences Research Institute (known as S^3RI), which supports the activities of researchers in the field of statistics and demography, and focuses primarily on statistical research. It has one of the largest groups of statisticians at any British university (see http://www.s3ri.soton.ac.uk). The knowledge acquired in the training pro-

gramme is particularly relevant and highly applicable to the analysis of data from longitudinal surveys. It further enhances the development of sociological research, especially as the use of more advanced quantitative methods has lately become a standard for quality research in the social sciences.

Natalie Simonová

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