

ty crisis'. Parties remain an essential means for democracy. What if some of the traits of these parties formed after the break-up of post-party organisations in Central and Eastern Europe were actually to prefigure and anticipate the development of parties in established, Western democracies?

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**Dirk Taenzler (ed.): *Der tschechische Weg. Transformation einer Industriegesellschaft***  
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1999, 244 p.

Once again a new book in German is contributing to the transformation literature of East Central Europe and, in this particular case, of the Czech Republic. This allows us to ask what the special contribution of this treatise is within the range of the sociological, political and economical literature that has already dealt extensively with the topic of Czech society's modernisation through transformation.

The recession in 1997 challenged the success of this modernisation by revealing the contradiction between shock therapy and the neglected reforms of socio-economic institutions. On the basis of the book's essays the editor, Dirk Taenzler, intends to demonstrate that the crisis must not be reduced to the political failures of the last ten years. In contrast, it results from the interaction of the political strategy, the economic power structures, and the socio-cultural behavioural patterns that have their origins in the pre-socialistic beginnings of Czech modernisation and industrialisation.

The book contains ten essays written by sociologists, historians and economists, who trace the Czech path over three stages, as affected by modernisation on the one hand, and stagnation on the other:

- 1) industrialisation before 1918 and the formation of an informal network of banks, businesses and the state during the First Republic
- 2) economic centralisation into huge sector units during socialism, which led to the development of their autonomous organisational culture

- 3) restructuring, or the preservation of socialistic economic structures in their interdependence with neo-liberal macro-politics after 1989.

Each essay deals with a partial problem of the economic and social relations according to a defined period of time. In addition, the essays complement each other, and read as a whole, they create the innovative idea of the book. Each article analyses the development of traditionally resistant behavioural patterns and political-economic organisation structures. In this way the book conveys a basic comprehension of the reasons why the Czech transformation from a socialist to a capitalist society evolved the way it did and not in a different way.

One formal problem of the book is that a few essays (Clark and Soulsby; Keilhofer) are based on macro-theory, and the others are orientated strictly around empirical cases (Taenzler and Mazálková-Hollerová). As the majority of the authors are micro-orientated, their macro-economic conclusions often remain limited. Therefore, an analytical linking of the empirical cases to continuities and determinations in social behaviour and economic structures would have been helpful.

The three parts of the book (I. industrialisation and the First Republic, II. socialism and company transformation, III. the results of the transformations according to economic growth and social structure) reveal chronologically the sequence of economic systems, but the second part deals with more than the planned economy. Here, the authors look at the organisational culture of socialist companies from the viewpoint of its consequences for the restructuring of the combined collectives.

However, in the first part the authors (Edward Kubu, Christoph Boyer and Peter Heumos) strictly concentrate on the analysis of the political and economic culture of the First Republic without connecting their results to the present situation. Nevertheless, while reading Kubu's essay it becomes conspicuous that the economic restructuring since 1989 correlates with the structures that Kubu has already stated relating to the First Republic. (Owing to the traditional networking of universal banks and industry the bank cartel influenced the financial and

interest policies. On the other hand, through a short-term profit orientation, the banks as creditors and shareholders impeded the modernisation of Czech industry.)

Christoph Boyer and Peter Heumos deal with the control of industrial culture by party-political organised interest groups. The bargaining procedures of a politically fragmented society, which were even complicated by conflicts with ethnic minorities, made it more difficult to achieve a stringent liberal economic policy. Against this background, Boyer analyses the German contribution to the economic development of Czechoslovakia. The economic nationalism at that time supported the development of the informal-corporate culture of the First Republic, which even today influences the transformation.

Peter Heumos explains how the conservative type of Czech proletarian could have developed. The interest of the political elite in social stabilisation meant that workers became used to a system of subsidiarity and self-administration. For this reason the social conflict could be localised on the internal level of companies through personal bargaining procedures. Thus the classic type of Czech proletarian was the entrepreneur and patriotic employee in one person. From the 1960s the socialist model of production units tried to increase the worker's patriotism and decreased his independent engagement, which was 'activated' in other spheres of life.

Now the managers of transformation have to reactivate this engagement and feeling of responsibility for the company in order to achieve a successful inner restructuring of the former production units.

The essays in the second part examine how the concentration of market power on industrial sectors and the former social position of the new managers in the centralised economy determined the management of the companies under market conditions.

Jan Vlácil demonstrates how the new group of managers and entrepreneurs, by using their social capital, rise from the middle management of public companies and are established as leading actors within the take-over of these companies and their adaptation to competition. How-

ever, they failed in the realisation of their new orientations toward efficiency and profit on the internal level, because their old authoritarian habit hindered them from permitting the necessary participation of employees in decisions and innovations in production. In this Vlácil demonstrates that the inner restructuring of the companies depends on the manager's psychological disposition.

Proceeding from the same idea, Ed Clark and Anna Soulsby analyse the indirect process of the divisionalisation of the former production units orientated toward the Western divisional model run by the new managers. On the basis of three examples from the sphere of mechanical engineering they prove that the managers who were promoted from the second to the first level suffered from a deficit of social appreciation. The adaptation of the reliable Western divisional model promised short-term economic success, and in this way also the best chance to save their social legitimacy. When this decentralisation led to technical resistance and social opposition, the managers were forced to adapt the new multi-divisional form to the inherited centralist structures in order to be able to solve the problems of efficiency.

Dirk Taenzler and Ivana Mazálková-Hollerová, once again with the help of their case study on the reorganisation of a Bohemian mechanical engineering trust, give support to the thesis that the strategy of recentralisation is subsequently used to stop the subsidiary's tendency toward disintegration.

Petra Bouché's essay can actually be assigned to the third part of the book, which from a macro-perspective deals with the economic and social consequences of the neo-liberal transformation policy. Bouché points out how the huge socialist research institutes were forced to adapt to the industry's decreasing demand for innovation because of restrictive financial policy. This led to a big loss in personnel and research capacity, resulting in a long-term reduction of innovation potential in Czech industry.

Franz X. Keilhofer analyses in a somewhat confusing manner, with twenty theses, how the trusts' market power influences the macro-economic development of the Czech transformation affected through political shock therapy.

According to Keilhofer, market liberalisation was favoured and foreign trade opened on the one hand, while the state neglected to establish institutional market regulations on the other, which led to a strengthening of the old market power structures and a sector reorientation towards low valued export products. The result is a long-term economic structural trap based on profitable labour-intensive production, which is also exploited by foreign investors. Only effective institutional control by the state, connected with structural policy in order to support new, financially powerless business, could lift the sector out of a downward trend. High-value products would be able to guarantee on a long-term basis the economic growth of the export-orientated Czech national economy.

The last article, written by Ilja Srubar, focuses on the reorganisation of the social structure, as induced through the mode of privatisation. In a comparison with East Germany he stresses the motivational effect of the Czech population's extensive participation in privatisation:

Traditional small-scale entrepreneurship comes to life again and reveals a potential for innovation in the service sector; in addition it is able to absorb a large portion of the unemployed. Thus Srubar points to Peter Heumos, who described the typical Czech industrial worker of the First Republic as conservative-oriented, because of his self-understanding as an entrepreneur.

Even though these historical connections are not always clearly shown, the book's innovative contribution is to state through the arrangement of the articles that the special Czech transformation results from structures, which are rooted in the people's pre-socialist traditions and experiences. At the same time, Taenzler (as in the study about the reorganisation of the mechanical engineering trust) presents the importance of long-term analysis for science as well as for political strategies, in order to avoid the simple transfer of new Western models to deal with traditional structures, which can in the end lead to negative side effects.

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