

they experience or observe. For Humphrey, culture is not primarily theoretically important as a constraint that prevents the achievement of desirable goals (e.g. generalising the market or establishing democracy); instead, it is important as the capacity to enable – it is culture that allows actors to think, speak, and act. As a primary point of focus, meaning makes space “available to individuals to take particular decision among a range of conceivable actions” (p. xix). Humphrey has thus heard Verdery’s call to fill in the gap in post-socialist studies – and to theorise on the production of meaning [Verdery 1991. “Theorizing Socialism.” *American Ethnologist* 18: 419–439.]. Her theoretical interest prevents us from falling under the influence of the ‘new orientalism’ in our approach to Russian social reality (e.g. the complex umbrella-concept of ‘bribe’ that is often misunderstood by outsiders). Moreover, *The Unmaking of Soviet Life* develops the reader’s understanding of the very meaning of such basic terms as money, profit, and (economic) motive, which have a peculiar sense in the post-Soviet context.

When explaining the structure of meaning, Humphrey employs a third method of inspection, the discernment of historical roots and wider structural contexts of practices. Humphrey’s theoretical emphasis on path-dependency, which her work establishes with convincing empirical evidence, makes a strong case against the popular teleological notion of the post-communist transition. Despite this temporal analytical primacy, Humphrey does not fall into the intellectual trap of persistent historical overdetermination, an extreme expression of which is the notion of (post-)socialism as a form of Oriental (read also as non-Western) despotism. On the contrary, she is well aware of the causal power of structural factors and the theoretical importance of recent policies. Thus, for instance, she describes how the actions of the state have created niches, which racketeers are able to exploit. Similarly, her manifest focus on images and meanings is

actually much broader, given the importance she assigns to the structural factors in her analysis.

The intentional avoidance of ‘big’ abstract concepts that, apart from ideological utility, have not proved to have much analytical or theoretical strength (e.g. civil society) is one of Humphrey’s virtues. Yet, her analysis is not at all a-theoretical; on the contrary, it is a dialogue and critique of many theories of post-socialist transformation. Nevertheless – and this is my main objection – this critical dialogue is too often only implicit; it lacks a more explicit connection to the discourse of social theory. This is certainly a pity, as Humphrey has a strong case to make. My explanation is that this limitation represents the main divide between anthropology and sociology: a stylistic difference. Despite the stylistic affiliation to anthropology, Humphrey’s work demonstrates the poverty of the sociology-anthropology distinction – it is neither sociology nor anthropology but a *social analysis* at its best.

Jan Drahokoupil

**Martin Myant: *The Rise and Fall of Czech Capitalism***

Cheltenham – Northampton 2003: Edward Elgar, xv, 288 pp.

The road from a “backward and inefficient centrally-planned economy into weak, unstable and inefficient market economy” (p. 262) is how Martin Myant describes the Czech transformation. Readers of the book will find a good deal of well collated information and essentially a comprehensive summary of everything that went on in Czech politics and in the economic policy of the Czech government in the years 1990–2002. The publication can serve not only as a handbook but also as a challenge to a deeper understanding of the past development and the current situation.

In a sense, the introduction to the book is better than the conclusion. It makes a variety of promises, the best of which is that the author intends to reveal the 'unspoken' programme that has remained hidden within the domestic transformation. According to the author it is this programme that everyone follows, even if they may be saying otherwise. Anyone living in the Czech Republic in recent years will suspect this must be true, as politicians say one thing and do another. While various projects collapse, there is no downfall of the country. There must be some deeper truth that lies behind this.

Myant offers an impressive summary of the 'mistakes' and 'successes' of the Czech transformation, which in his opinion featured six serious errors. The first was the federal government's 'shock therapy' at the beginning of 1991, which liberalised the economic environment, introduced a freely convertible Czech currency, and tried to sustain inflation. According to the author, this shock jolted the confidence out of Czech managers and also led to long-term damage in some branches, such as science and housing construction.

A lesser fault was the attempt by the central bank to maintain the currency restriction even in the ensuing years and not allowing businesses to catch their breath. The third mistake was the privatisation strategy, which did not bring any new resources to businesses but instead led to the banks being stripped of their assets from within. The fourth mistake was made by the government when it tried to maintain a state influence in the large banks. The fifth was that the transformation was not accompanied by a good legal framework, which prevented bankruptcies and also led to major fraud. The sixth reproach is directed at the evident effort made by the Czech government to divide up industry exclusively among Czech owners.

On the other hand, the transformation was aided by its good geographical location, which facilitated rapid co-operation with

Western countries. The influx of investors was automatic and exports did not have to send their goods far. Traditional institutions also helped the Czech Republic. While there was a good deal of disorder and corruption, at least the central bank and the courts managed to respond adequately to the situation. The ability to learn from the ongoing crisis saved the Czechs from falling into chaos when the economy went into recession in 1997. In the end even the growing willingness to admit foreign investors helped the transformation.

Myant summarises elegantly, but he mostly refers to matters which are already known and have been described – that coupon privatisation, the sustaining of semi-state banks and the Czech path in industry were mistakes is something that surely no one today doubts, except perhaps the authors behind these strategies. The author adds a couple of thoroughly documented examples. He may be thanked for putting together case studies recalling all the biggest failures in the Czech privatisation process – the story of Chemapol, Škoda Plzeň, ČKD Prague, individual banks and the metal industry. He acknowledges the success of the automobile industry, but energy, coal mining, the insurance sector, and the electronics industry are missing.

Published in 2003, the book may be reproached for the fact that it does not include any detailed information beyond the end of 2000. The author provides a very praiseworthy description of the careers of a number of dubious figures in business, like Soudek of Škoda Plzeň, Junek at Chemapol, or Stehlík at Poldi Kladno. However, he mentions Babiš, who in 2001 was trying to purchase Unipetrol, as an honest business person and workaholic, despite the fact that he was involved in some less transparent privatisations. The author considers the American company Appian, which bought Škoda Plzeň, as a normal foreign investor, although it is in fact a Czech company that is only formally registered in the United States.

Of course, Myant cannot know all the details, but he should not substitute his lack of knowledge with fabrication. When, in the end, he describes the case of the privatisation of Unipetrol as the inability of the state to hand the purchased property over to Babiš, he has strayed seriously away from reality. The author does, for example, correctly point out that the Czechs were not aware of the bad reputation of Nomura when they welcomed the entry of this Japanese investment bank into the Czech semi-state IPB Bank. But then he does not mention that the managers at IPB were responsible for the majority of bad deals long before Nomura bought the bank.

Alongside such missing details the author also overlooks some substantial factors that influenced the way the economy evolved. For instance, he ignores the indirect influence of foreign capital and institutions. A more detailed analysis would show how significant the influence of foreign banks was on some of the cases he describes. The industrial empire of Soudek, one prominent business figure, came to an end when he ceased paying credit instalments to German banks. The death knell for IPB came with the publication of an evaluation of the bank in *Handelsblatt* several months before the Czech government again nationalised the bank as it fell into bankruptcy.

Myant describes how the Zeman government supported the entry of foreign investors. But he does not refer to the ambitious projects of government investment that led to massive corruption and facilitated the rise of the new Czech business elites, who are partly replicating the route taken by Soudek, Junek and Stehlík, albeit in different circumstances. The unsuccessful model of the Czech path has thus been modified and it is only possible to speculate about whether the new attempt will or will not be a success. At the general level the author is aware of the limitations in his analyses and repeats common evaluations of the Czech transformation – too strict currency restrictions, negative

role of privatisation funds, unsubstantiated confidence given to Czech managers.

The 'unspoken' programme in the Czech transformation is hard to understand for foreign analysts. It is not possible to evaluate the socialist economy as though it were an economy just lacking some elements proper to the capitalist economic system. The socialist economy emerged out of a complete reversal of the former capitalist system, while employing at the same time a number of elements proper to the wartime economy, which survived up until the end of the 1940s. The socialist economy was made up of its own substance and this did not simply vanish at the end of the 1980s.

Robert Putnam's studies should be recalled here. The American sociologist pointed out that in addition to the best possible social order there is also the 'second best' – when civic and market principles are replaced by clientelism as in southern Italy. Such a system allows the inhabitants of southern Italy to earn and survive, albeit under less favourable conditions than in northern Italy. It is however illusory to assume that Sicilians would give up their traditional strategies, even if all of the Italian south would agree that clientelism and the mafia are bad. Sure, the Czech Republic is not southern Italy, but networks and rooted habits are very resilient too.

The Czech transformation, like the other post-communist reforms, rejected the socialist economic system, but people did not abandon their habits. They bravely threw themselves into new experiments, which they thought would introduce capitalism, and understandably these paths were ones of trial and error. At the same time, however, the new elites established their positions by means they were accustomed to from an earlier period. Investigating the dynamics of this kind of development requires above all thorough case studies, some of which are provided in Myant's book; many others were provided – but are still to be expected – from local observers.

The book by Martin Myant is in any case

an honest and valuable effort, and therefore it provokes many important questions. What helped most to increase the equality of Czech production during the transition? Under what circumstances can a 'socialist manager' achieve success in reborn capitalism? Why were only some industrial branches successfully transformed, particularly automobile production and electronics? How does

corruption and political clientelism decrease the performance of the Czech economy? How do government investments and the state administration of some enterprises benefit the economy? It is only a pity that there are few – if any – contributions to the debate on the part of Czech economists comparable to Myant's study.

*Petr Holub*

# The Library of Sociology



Is open and offering its services  
to the public as of 20 April 2004

The Library of Sociology first emerged as a department within the Library that was part of the Institute of Philosophy and Sociology of the Academy of Sciences of the Czech Republic. That Library was destroyed by the floods that occurred in the summer of 2002. After a long period of reconstruction devoted to trying to replace the huge losses to the collection caused by the floods and rebuilding the library spaces on the ground floor of the building occupied by the Institute of Sociology AS CR on Jílkovská ul., it has finally become possible to construct and open an independent Library of Sociology, thanks especially to the numerous gifts and donations from domestic and foreign institutions and private citizens. The Library of Sociology has been conceived as a modern specialised library and is intended to serve the needs of researchers, students and the academic community on the whole. Gifts and donations to the continued rebuilding of the library are welcome. A publication has been issued describing the construction process behind the development of the independent Library of Sociology, from the time of the floods up until its celebrated re-opening on 19 April 2004.

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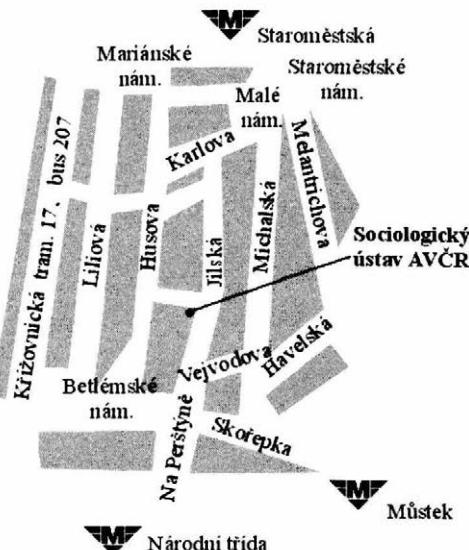
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