Institut für Höhere Studien (IHS), Wien
Institute for Advanced Studies, Vienna

Who is for Capitalism, Who is for Communism?
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Institute for Advanced Studies
Stumpergasse 56, A-1060 Vienna
Phone: ++43/1/599 91-213
Fax: ++43/1/597 06-25
e-mail: wallace@ihs.ac.at

Abstract

This paper considers one aspect of social transitions in post-Communist Eastern Europe: that of attitudes to economic change. Although much has been written about economic and political transformation, little has been done in a systematic way with regard to the attitudes of the population to economic change. Furthermore, most studies are one-country studies and it is apparent that there is growing diversification between the transition paths of different Eastern European countries, making comparative research all the more important. The future of market capitalism in the region depends upon its acceptance by the people of Eastern Europe. Here we draw upon a 10 nation study of Poland, Czech Republic, Hungary, Slovakia, Bulgaria, Romania, Belarus, Ukraine, Slovenia and Croatia to compare economic values in the region. There are altogether 10,441 interviews with a cross section of the population. Using multivariate analysis, we define five value groups according to three dimensions: individualism-collectivism, orientation to macro or micro economic levels and degree of dependence upon state or market. The five groups are Macro-marketeers, Individualists, Collectivists, Pessimists and Economically Depressed. In this article we explore the social characteristics associated with these different value-orientations.

Keywords

JEL-Classifications

Introduction

Capitalist and Communist forms of economic organisation have been competing ideologies for the last century and have divided Europe for the last half century. Each is based upon a different principle of organisation for the modern industrial economy - the first upon an ideal of centralised state redistribution to bring social justice and security to its citizens, the second based upon limiting the role of the state and allowing the market to dominate the distribution of goods and resources. In the former ideology the state is responsible for both production and distribution of resources and in the latter ideology, the individual should take care of their own welfare to a greater extent and there is less direct state responsibility for citizens. These could be distinguished by what Polanyi (1944) calls 'redistributive' and 'market' systems. These are ideal systems and in practice there are many varieties of capitalist systems with varying degrees of state involvement and many varieties of Communism with varying degrees of market involvement. However, each system is associated with a primary set of economic principles which are inculcated as values in the population - either directly through socialising institutions such as schools, workplaces or associations, through propaganda or indirectly through commercial advertising and consumer culture. The persistence of old values and the introduction of new ones is an interesting question and can shape the economic and political futures of these new regimes through 'path dependent' development (Stark 1992). In this paper we consider the different constellations of values held by populations in 10 post-Communist countries, what demographic and other characteristics are associated with the holders of such values and what institutional characteristics may shape them.

Shaping Economic Values

The pace and manner of regime change takes place at different levels. Whilst legal changes and the introduction of party systems can take place relatively quickly, it was hypothesised by Dahrendorf (1991) that it would take a much longer time for the beliefs and behaviour of the citizens themselves to change. In the early phases of transition from Communism, there was much discussion about whether marketisation must precede democratisation and the introduction of party political systems or vice versa (Offe 1991, Hall 1994). It is not necessarily even the case that the two are inevitably linked as examples of successful capitalism linked to authoritarian regimes in other parts of the world can illustrate. Now, with more evidence before us, it is clear that there are a number of models of structural change occurring in Eastern Europe and that diversity is more common than homogeneity. No single model is any longer appropriate. Sometimes political reform is faster, sometimes marketisation streaks ahead of political reform. Even where there has been little administrative reform, market change takes on its own momentum as people take their own initiatives, even where these are still illegal (Wallace 1997). Lurking behind these discussions is the familiar socio-

logical chestnut of structure and agency - to what extent do the structures of marketisation need to be in place for individual to start acting and behaving in ways appropriate to market economics and to what extent do the actors themselves shape the direction of marketisation?

Whilst some have tried to propose general theories of market transformations (Nee 1996) others have emphasised rather the different institutional dynamics of economic change and their variability (Stark 1996). It is clear that we need to take into account the particular experiences of transformation in each country and region, their legacies from the past and the different social structural and political dynamics of change taking place at present. Thus, for example, Vecernik (1996) argues that in order to understand the Czech transformation we have to know about the very drastic nature of the Communist system in the Czech Republic, which effectively destroyed residues of the middle class and 'bourgeois' values, whilst at the same time making people very receptive to the new liberalism. However, we would argue that this should not reduce us to endless relativistic explanations - as well as bearing in mind the particular instances of market change, we need to also consider the general patterns in the region which has undergone a common experience of regime change and the introduction of market capitalism in the last 8 years. For this reason, comparative research is essential to give an overview, whilst bearing in mind the particularities of each country.

How do we estimate institutional change? Ours was a study of individual respondents rather than a study taking institutions as a unit of analysis. Therefore we have to find other ways of contextualising the responses of our respondents. One way to do this is to look at the different paths of transition in different groups of countries in terms of macro-economic indicators, giving us a perspective on their relative economic fortunes and how these have changed over time. However, this provides only one part of the picture. It is evident that for a market system to flourish it needs institutional support and protection. Without institutional support and protection there is the likelihood of 'uncivil' economics of Mafia or gemeinschaft-style links of ethnic association taking over (Rose 1992, Wallace 1997). This institutionalisation of capitalism within the framework of a 'rechtstaat' has happened in different ways in different countries. Therefore we also need to take into consideration the general patterns of reforms and the extent to which market systems are institutionalised within the region.

It is not the case that each country is infinitely different. We can look at common clusters of countries in their patterns of economic and institutional change by contrasting the Central European 'buffer zone countries' with the former Soviet Union and with the Balkan states. Here we can see common patterns of transition which cross the borders of nation states (Wallace, Chmouliar, and Sidorenko 1996). This analysis is taken up later in this paper. We can see these different regions as examples of different kinds of institutional change. In the regions which we are considering, the Central European 'buffer zone' countries of Poland, Czech Republic, Hungary, Slovakia, and Slovenia have been affected by the fact that they border the European Union, most of their export and import is geared towards this trading block and they seek to join European Union at the earliest possible opportunity. Their re-

forms are patterned upon institutions which could harmonise with the European Union. Comparative economic indicators show that Slovenia could also be considered in this successful camp of transformation countries which have gone furthest in establishing political, economic, and legal changes in the direction of market societies. Although to begin with there was a massive slump in out-put and in GDP, table 1 shows that from 1993 onwards some countries had turned the corner and were starting to show signs of economic growth, even though this had slowed down by 1996. Only Bulgaria and Ukraine continued a downward slide and if we had data about Belarus, it would probably show the same tendency. The countries bordering the European Union are places where a 'rechtstaat' protects market reforms and institutionalises them to a greater or lesser extent. Although there are important differences between them, the differences between this group and that of other post-Communist countries is widening whilst the difference between them and their western neighbours is narrowing (Haerpfer and Zeilhofer 1995). In another camp we could put the post-Soviet countries of Belarus and Ukraine, where economic reforms have hardly begun and where the economic situation of the citizens has deteriorated considerably without any hope of improvement in the near future. At another level, Romania and Bulgaria have begun to introduce market reforms. Bulgaria began most positively but over the last year has been sunk into economic and political crisis, having suffered hyper-inflation, the collapse of market institutions such as banks and demonstrations on the streets demanding a change of government and a solution to economic problems such as food shortages. Now it is Romania, beginning in a weak position, which has forged ahead with privatisation policies and other market reforms. The post-Yugoslavian states, which we are considering are the most prosperous ones, and this is especially the case with Slovenia. The recent war in Croatia has created a special situation there, but the general trend is towards lagged development in the direction of the buffer zone countries.

Table 1:   **Comparison of economic conditions of the post-Communist countries. Changes in industrial production between 1990 and 1996**

	1990	1993	1994	1995	1996
Czech Rep	-3.3	-5.3	2.1	8.7	6.7
Slovakia	-4.0	-3.8	4.8	8.3	2.5
Hungary	-10.2	4.0	9.5	4.6	2.3
Poland	-24.2	6.4	12.1	9.7	8.5
Slovenia	-10.5	-2.8	6.4	2.0	1.0
Bulgaria	-16.7	-10.9	8.5	5.4	-1.1
Romania	-19.0	1.3	3.3	9.4	9.9
Croatia	-11.3	-5.9	-2.7	0.3	3.1
Ukraine	-0.1	-8.0	-27.3	-11.5	-5.1

Source: WIIW No. 167 May 1997 p.323

Unfortunately the comparative statistics compiled by WIIW do not include Belarus

Table 2: Comparison of economic conditions in post-Communist countries using selected economic indicators (1996)

	Change in GDP since previous year, percent	GDP per capita (purchasing power parity measures)	Percent unemployed	Change in average monthly income since previous year	Consumer price rises (inflation)
Czech Rep	+4.4	10.460	3.5	+8.5	8.8
Slovakia	+6.9	7.997	12.8	+7.2	5.8
Hungary	+1.0	6.827	10.7	-5.4	23.6
Poland	+6.0	5.933	13.6	+5.7	19.9
Slovenia	+3.1	11.143	14.4	+4.5	missing
Bulgaria	-10.9	4.123	12.5	-9.3	123.3
Romania	+4.1	4.614	6.3	+7.6	38.8
Croatia	+3.5	4.266	15.9	+6.4	missing
Ukraine	-10.0	2.206	1.6	-5.1	80.2

Source: WIIW No. 167 May 1997 pp 324- 337

Belarus is unfortunately missing from these comparative data

If we consider the two tables above, we can see that there are trends over time towards improvement in economic performance in most countries with the exception of Bulgaria and Ukraine. Measured in terms of purchasing power parity, the buffer zone countries are the wealthiest followed by the Balkan countries and the former Soviet Union are the poorest. In some buffer zone countries (especially Slovakia, Poland and Slovenia) this rising prosperity comes alongside high unemployment. Unemployment is Ukraine is artificially low because firms tend to retain workers on extended unpaid holidays, or simply do not pay them, rather than lay them off. Although it is the case in several countries that incomes have risen over the last year, these gains are wiped out by even higher rises in inflation (in Hungary the disparity is especially high). The deep economic problems of Bulgaria and Ukraine are indicated in the fact that incomes have actually fallen whilst prices have risen dramatically, which must leave many people very much worse off since last year.

It is evident that there are very different paths of transition within and between countries. However, most studies are based upon one country and often tend to generalise from that experience. Some countries, such as Poland, Hungary and the Czech Republic have benefited from excellent studies being carried out there (see for example, Stark 1996, Kolankiewicz 1996, Vecernik 1996), but others such as Belarus or Croatia have barely been studied at all. Here we have taken 10 countries, forming one region stretching North to South from the Baltic to the Black Sea and West to East from the borders of the European Union to the borders of Russia.

Comparative research can help us to understand the differences between these different countries and also to see if there are any common patterns in this transformation from Communism.

Different legacies from the past

The previous Communist regimes also took many different forms in Eastern Europe from the 'goulash' Communism of Kadar in Hungary to the 'hard-line' Communism of the Czechs after 1968 and the more Soviet-style regimes to the East. Different degrees of private enterprise and private ownership had been allowed within the former systems so that Poland for example, had retained a private agricultural sector, whereas other countries had not; Hungary had enjoyed a flourishing market-oriented private sector within the state sector (Sik 1992, Szelenyi 1978). Indeed this combination in Hungary was so successful that Hungarians think of the 1980s as their 'golden age' (Oesterreichische Gesellschaft fuer Europapolitik 1996). However, common to all of them was a principle of full employment for the whole population, including women, the state control and ownership of most of the economy and the provision of a high level of social security - pensions, education, health, housing - for the population 'from cradle to grave'. During the post-war period various reforms introduced extensive family support in the form of housing, child care, family and marriage allowances, maternity leave, holiday facilities, state provided care of children in kindergartens and crèches and so on, which enabled women both to go to work full time and have children (Ferge 1996). Some of this was available through workplaces and through official organisations. Thus, although incomes were low, many things which in more market-oriented societies cost money, were provided either subsidised or free. Furthermore, people supplemented their low incomes through a variety of 'informal' or 'second economy' practises such as food production, obtaining goods through connections and favours and various reciprocal arrangements (Sik 1992, Rose 1991). Whatever the shortcomings of this provision, it was at least in principle available to all members of the population and this was in contrast to the economic regimes which had preceded Communism in the region. The Communist regimes had provided some level of economic security for their citizens on a universal basis at the expense of their freedom of ownership or movement. Underlying values associated with this kind of economic regime were inculcated directly through propaganda and 'socialist' education and indirectly through the organisation of the workplace, the labour market and social services. These values included a commitment to equality, the valuation of manual work over other kinds of labour, the commitment to redistribution of resources through the state inspired by the doctrines of the Communist Party and an idea that the state would look after its people. Although consumerism was condemned as anti-Socialist, a certain amount of consumerism was allowed and even catered for following the unrest in the Czech Republic and elsewhere in 1968 and as a way of pacifying the aspirations of the population. Nevertheless, the possibilities of consumption were restricted by the state distribution and production systems and

most people made do with what they found and compensated by making and mending their own equipment and possessions. Those were characterised as 'shortage economies' (Kornai 1992).

Different pathways out of Communism

The collapse of Communism in Eastern Europe after the 'gentle revolutions' of 1989 allowed the more open penetration of international capitalism, of consumer ideologies and advertising associated with capitalism and allowed capitalist enterprise among citizens to flourish. This brought about a reorientation of previously Communist systems and new roles for the state and the market.

Just as there were different kinds of Communist economic systems, so there were different forms of transformation. One of the main reforms was that of laws allowing for the privatisation of state property and the encouragement of private enterprise. These are most developed in the buffer zone countries, where privatisation, especially small privatisation has been extensive and large sections of the economy have moved from public to private hands. Although this took different forms in each country, it was variously institutionalised (Earle et al. 1994, Frydman et al. 1993). Such reforms have not been very extensive in Ukraine and Belarus, where privatisation programmes have hardly begun and the laws tend to inhibit rather than encourage entrepreneurship. In the Balkans there are also mixed experiences as can be seen from tables 1 and 2.

The process of market transformation depends upon its acceptance or otherwise by the population. The change of regimes which began in 1989 brought about new forms of ownership, including privatisation of state property, new kinds of economic activity, including the introduction of a more open labour market and with it unemployment and new forms of social insecurity. The advent of market reforms are likewise uneven in the region, but have involved a reorientation of values. Consumer freedom and the introduction of a variety of consumer goods have replaced the previous forms of state distribution, but often at the expense of rapid price rises, putting many goods out of the reach of ordinary people. For many people this is exacerbated by the fact that their incomes and savings have sunk relative to prices with the advent of rapid inflation, and in some countries, hyper-inflation. Furthermore, many more goods are imported than was the case in the past making the badly packaged and often poor quality goods produced in Eastern Europe unattractive by comparison. Many people were further disadvantaged by losing jobs, or if they had jobs, being given unpaid holidays or receiving no remuneration. During 1996 when this survey was carried out, this was a common strategy for employers in financial difficulties or for the state to control inflation in Ukraine and Bulgaria. The relatively generous welfare and family benefits which Communist systems had achieved were cut back as fiscally stricken states were unable to support them.

Family support services disappeared as factories rationalised or closed and no longer saw it as their responsibility to provide such benefits and the facilities belonging to official organisations were closed down or privatised. In most countries pensions and other benefits eroded with inflation. Increasingly people had to find their own solutions for health care, education and child care, whilst plans were drawn up for privatising the welfare systems in different degrees. The economic well-being of families was therefore threatened as traditionally low but secure sources of income dried up. This affected different family members in different ways, as we shall see in the analysis, since women lost the basis of support for their jobs outside the home and pensioners' incomes were particularly adversely affected. Young people were most likely to be unemployed but were also in a better position to take advantage of the new employment opportunities (Roberts, Jung, and associates 1995). State enterprises were closed, rationalised or sold off, whilst new private enterprises opened, offering much higher salaries at the expense of less job security.

The freeing up of the labour market and the reintroduction of private property also introduced other principles and values. As well as increased risk, there was the possibility of higher rewards as private initiatives or privatised enterprises paid higher salaries than the state ones - but with lower levels of job security. Some were able to take advantage of this to improve their labour market position, or even in the case of the 'new rich', to amass considerable fortunes. As Vecernick (1996) points out, the change in value systems was smoother than might be supposed because of the amoral materialism introduced by Communism into these lands.

Therefore the system change brought gains and losses. Different groups were 'losers' or 'winners' in this system. Nee (1996) argues that the introduction of capitalism in China encouraged more equality in reward systems, but Ferge (1996) and those contributing to the project "Social Costs of Transition" (SOCO) argue based upon cross-national data for Poland, Hungary, Czech Republic and Slovakia, that living standards have generally deteriorated as has social security since the 1980s, the immediate pre-transition period. Moreover, they argue that there are more 'losers' than 'winners' in this transition (Ferge, Sik, Robert, Albert 1996).

Changing Economic Values

What are economic values? Here we take economic values to mean the underlying patterns of ideas and beliefs which people may hold about the economy in general and about their place within it. Most assessments of economic change consider policies or macro-level indicators. Here we consider instead the attitudes and values of the ordinary population which may or may not correspond with the ideas of their leaders or with macro-economic indicators (Rose 1989). We have attempted to tap these economic values through batteries of attitudinal questions, often asking the same things in different ways, which can help us to under-

stand these underlying values. These values can be organised according to several categories:

Subjective Economic Well-being. There are a range of questions investigating the subjective assessment of individuals about their own economic condition and that of their household. In post-Communist countries this can be important because 'objective' measures of poverty or wealth are more difficult to assess. Income, for example, is not a good measure because wealth or survival depends upon a whole range of factors whilst incomes may be uniformly low. Nevertheless income is often used for looking at social differentiation in post-Communist societies (wrongly in our view) (see Nee 1996, Xie and Hannum 1996). Richard Rose (1991) has tried to quantify participation in different economic activities which he calls 'economies' as part of this survey and this was also the approach adopted by the SOCO team. We have used these estimations as independent variables, but have concentrated in our analysis upon subjective factors. The wide range of subjective questions included whether the household earned enough from the main job, whether one ever had to go without things (there then followed a list of things they may or may not have gone without - food, clothes etc.), whether the economic situation of the family was improving or deteriorating and how long it would take to improve. The questionnaire also asked if the level of savings of the family had increased or decreased and whether the household had had to borrow money or spend some savings. Finally Richard Rose has devised a 'deprivation scale' which brought together a number of these factors (see Rose and Haerpfer 1996). We could term these the 'micro' level questions about economic change.

Attitudes to the Macro-Economy. Another group of questions asked about attitudes towards the economy in general, whether it had improved or deteriorated and whether the previous economic regime was better or worse than the present one (making no assumptions here about whether the present regime is really capitalist). Respondents were asked to rate the previous, present and future economies on scales ranging from -100 to +100. It might be argued that nostalgia for the previous economic system was nostalgia for social security, which it represented. Therefore, questions were also asked about whether the respondents wanted a return to Communist rule, what they thought of the previous Communist political system and the extent to which they were 'impatient' - that is were prepared to replace the present regime with another (Rose and Mishler 1996). In addition there were questions about the time it would take to sort out the problems of the economy. We could term these the 'macro' level questions about economic change.

Economic Ideologies. A range of questions asked respondents to choose between competing principles associated with collectivist economic organisation and individualistic economic organisation. This derives from the ideas originally developed by Richard Rose (1991) that different economic systems imply different emphasis on individualist or collectivistic ideologies. These divide into attitudes to work and employment - whether the respondent is individualistic and achievement oriented or whether one would prefer to have secure, badly re-

warded jobs. They also asked about attitudes to consumption - whether it is better to have lots of goods at high prices or less choice at low price - and whether individuals or the state should be responsible for welfare. There were questions about whether state or private ownership of enterprises was better. Thus people could subscribe to individualistic ideologies, but still believe that the regime change itself was not successful. We termed these the 'ideological' questions since they involve no assessment of either micro or macro level social change but are purely about the values held by the respondent.

How do values change? Communist values where inculcated by workplace organisations, by political education and through the control of the media by the Communist authorities who were concerned to transmit particularly positive views of their own system and particularly negative views of market capitalism. In addition, traditional socialising institutions such as schools, organisations and family helped to inculcate collectivitistic values, although they may also have transmitted a private counter-ideology. The lived experience of people who came to rely not only upon salaries but upon a range of benefits and rewards as part of their economic well-being also helped to perpetuate these values (Kolankiewicz 1996). Many of these workplace organisations still exist (Vecernik 1996) and in some countries the administrative/bureaucratic structure is still more or less intact. In addition, it is possible that there is a 'cultural lag' in the way in which values of the population change.

According to Bauman (1992), late capitalist values enter not so much by rape as by seduction. Exposure to advertising, to Hollywood films, to soap operas, to enticing shop windows and other media can introduce such values far more effectively than state propaganda. The 'seduced' can also be those who are the losers of the system, but still value the rewards. We would argue in addition that proximity to capitalist consumer societies and the easing of travel restrictions means that those countries bordering the European Union began to take the societies there, rather than those further East, as their standard. This is related also to the penetration of consumer culture into these different countries - those with greater foreign investment, especially in supermarkets, shops etc. and more successful 'small' privatisation' allowed greater penetration of consumer culture and therefore capitalist values associated with accumulation, differentiation and 'greed' rather than those associated with solidarity and collectivism. Residents of countries further East find it difficult to travel to consumer capitalist societies and instead use the 'flea markets' of Central Europe as a substitute (Wallace 1998). The penetration of consumer culture through advertising and the parading of better lifestyles acquired with consumer goods is probably one of the most powerful tools of value change. This is linked also with access to the mass media. Those with TVs and satellite dishes have access to international advertising and consumer culture and the liberalisation and privatisation of the mass media in the buffer zone countries has created their own commercial media. In the post-Soviet countries, this has not happened to the same extent at all and they are also the peoples least able to travel due to restrictions on their passports and visas. Hence capitalist consumer culture has penetrated less thoroughly in those countries. For this reason, we have developed a classification of questions to measure the ownership of consumer

goods and proximity to consumer culture. These include ownership of car, telephone and TV (not just as indicators of wealth but as indicators of mobility and extent of connection with globalised culture) and the extent to which the respondent reads. As well as these private and geographical sources of exposure to consumer capitalism, we might hypothesise that the place where one lives may be influential. If a person lives in a big city or a capital city, it is likely that this is some communications centre with access to cinema, shops, supermarkets and so on which may not be available elsewhere. Telecommunications networks are also often concentrated upon cities.

Attitudes to the market economy may also be affected by the extent to which one is associated with it. Some people are more dependent upon the state system because they are living from pensions or are employed in state corporations and functions, whereas others may be more embedded in the market system, if they own private property, shares or work in the private sector (especially the newly created private sector). Labour force participation is a factor which may link people to either the state or private market, but it is also important to take into account in which sector they are employed. Therefore we developed a classification, which looked at the extent to which people worked in the private or the state economy, if they held more than one job and whether they claimed welfare benefits in order to assess whether the degree of insertion in the labour market affected attitudes towards economic change. Those more dependent upon the state for their income may be more collectivist in their attitudes, whereas those more linked to the new market capitalism through their jobs and sources of income, may be more in favour of it. Related to this, we also considered the extent of participation in the workforce and the various economies enumerated by Richard Rose (Rose 1991). We hypothesised that those most included in the workforce and the dominant economy might be more likely to hold values which were either pro-market or collectivist than those who did not.

Finally we looked at how economic values were spread between different countries as an approximation of the institutional contexts in which people lead their lives.

In developing this form of analysis we have made no assumptions that values are related to economic behaviour and indeed we have not considered economic behaviour except as independent variables in relation to our values. This will form the subject of a separate analysis. For the purposes of this paper we confine ourselves to economic values as the main dependent variables.

Some commentators have argued that the post-Communist situation is so complex and so riven with contradictions that no clear value consensus can be found (Rychard 1996, Centeno and Rands 1996). We would argue by contrast that certain patterns of values can be found reflecting tensions between affiliation with changes at the macro level of the economy and changes at the micro level of the individual or household. Also, tensions between individualistic and achievement-oriented values associated with market societies on the one

hand and more collectivised and paternalistic ones associated with state redistributive ones on the other hand. The value groups we discovered were clear and consistent. They accounted for 76% of the population.

Methods of Research

The research is based upon a 10 nation representative sample survey of 10 441 interviews in Central and Eastern Europe. It is carried out annually since 1992 by the Paul Lazarsfeld Gesellschaft in Vienna and is called the 'New Democracies Barometer' or NDB. In this paper data are drawn from the last survey conducted during the winter of 1995/6.

The survey contains a number of questions about attitudes to economic reform which can be used to ascertain underlying values. It asks about the subjective well-being of the individual household from the point of view of the respondent - the micro-level of economic change - but also about the respondent's attitudes to the economic changes more generally - the macro-level of economic change. Questions are asked about the evaluation of the past, the present and the future at both the macro and the micro level. It asks in detail about the employment and unemployment experiences of household members, their levels of income and whether or not they have been paid. It also asks in detail about sources of deprivation (if they had to do without food, heating, clothing) and also about their consumption patterns (if they can buy everything they need, ownership of cars, telephones, and colour TVs). In addition, there are a number of questions organised as scales giving respondents alternatives between values associated with the economic organisation of Communism and values associated with he economic organisation of capitalism to tap underlying values about individualism, risk, social security or insecurity and enterprise.

The aim of the research here was to use the attitudinal questions to uncover the underlying constellations of economic values and to see to what extent they were associated with different social and demographic characteristics. The aim was not therefore to look at social structure but at the attitudes of different population groups. Since social structure is unclear in any case in the countries under consideration undergoing rapid social change, we started instead with the values themselves and began with <u>exploratory</u> analysis.

In order to do this we began with a factor analysis of the different economic attitude variables, to see how they were grouped. Our initial factor analysis produced eight groups which, after some refinement, removal of spurious associations and further factor analysis were reduced to five groups. We then looked at the factor loadings of different variables to see, which were the most strongly associated with that factor. Next, we had to make the factor measurable by operationalising it. In order to do this, we drew up correlation matrices to see how the variables within each factor were related to each other - how homogenous or heterogeneous was each set of variables within each factor. The strongest variables were then used as dependent variables in multiple regression analysis within each factor. Having identified the three

strongest variables for predicting each attitudinal cluster, and having eliminated overlap, we used them to construct an indicator for quantifying that attitudinal cluster. At this stage we turned from exploratory to confirmatory analysis by further regression analysis to identify the most important associations for each attitudinal cluster and returned once more to our factor analysis of the whole sample to test if the attitude clusters which we had defined were robust. The model was very robust and this is indicated in the factor loadings for the five groups within each factor, shown in tables 3,5,7, 9,11. At this stage our five attitude clusters were both theoretically and analytically coherent, so we used the indicators to create cross-tabulations to find out what were the social and demographic characteristics of people who held this set of attitudes and moved from there to defining the underlying values associated with them. Next, we carried out bivariate analysis of each indicator with each important variable to see how strongly associated they were. Finally we carried out multiple regression analysis for each group of variables under our main themes and for each value-type. The latter results are included as Beta coefficients and the bivariate results as Eta coefficients.

The analysis left us with five different sets of values in relation to economic change: Macro-marketeers, the Individualists, the Collectivists, the Pessimists and the Economically Depressed. We analyse each of these in turn below.

1. Macro-marketeers

The Macro-marketeers were defined by the following variables: they were confident about the current economic situation of their country and optimistic about the future economic system- they held an extremely positive assessment of the market economy. Also, they were confident about the current economic situation of their family (see table 1).

Macro-marketeers were doing well in the new economic conditions. They had enough money to do all the things they wanted to, seldom had to do without, and were more likely to own cars and shares in private companies. They were consumer oriented, wanting to see goods in the shops, even at high prices and they themselves possessed more consumer goods than the average for the survey and were the least likely group to lack any material resources. We could say that they were among the 'seduced'. They were also likely to have seen their savings increase over the last year and were very happy about their standard of living. Even those who were not happy with their standard of living, were confident that things would get better in the future.

They were also likely to be highly educated, often with University degrees and to live in large cities, especially the suburbs of large cities. Their family situation was very distinctive since although they were likely to be relatively younger than other groups, they were very unlikely to have children or very small households (85% had no children compared with 75% for the sample). Men were more likely to be Macro-marketeers than women. This group was also

more likely to work in a newly created private company or in a privatised company or to be self employed. Macro-market capitalists constituted about 17% of the population

They were defined by the following three variables (with factor loadings):

Table 3: Defining Variables and Factor Loadings of Macro-Marketeers

Variable	Factor loading
'Where on this scale would you put our current economic system (scale from -100 to + 100)	0.851
'Where on this scale would you put the economic system in five years' time?' (scale from -100 to + 100)	0.660
'As for your own family, how do you rate its economic situation today?' (4 point scale)	0.271
Macro-marketeers	0.543

Table 13 indicates the breakdown of Macro-marketeers according to different countries (see end). It is evident that they are most prevalent in the Czech Republic, Poland, Romania and Slovenia. Belarus and Ukraine had the lowest count with 5% and 3% respectively. Macro-marketeers are therefore to be found in countries with a stable and prosperous economic situation, where macro-market reforms had been relatively successful. There were few Macro-marketeers in Hungary, and this was the exception amongst the more successful transitional countries. Romania also had many Macro-marketeers even though it is not among the most prosperous countries. Here we should perhaps consider the relative position of people in these countries. In Hungary there had been a decline in the situation of the population over the last year whilst in Romania the situation had radically improved in the last few years (see tables 1 and 2). This may account for the relative confidence or lack of confidence which citizens may feel about the macro-market economy, and therefore the number of Macro-marketeers.

Macro-marketeers are strongly linked to the main economy, being strongly dependent upon their main job and were likely to own shares - they did not participate very much in informal economies. Many of them had second jobs as well as main jobs. In terms of their economic ideologies, they strongly supported individualistic values, were negative about both the Communist economic and political systems and firmly ruled out a return to Communist rule. Macro-marketeers were pro-capitalist in terms of their economic ideologies but were mainly defined by their attitudes to the macro economy. A total of 36% of the variance is explained by this model. Table 4 shows the results of the multiple regression for Macro-marketeers.

Table 4: Characteristics of Macro-Marketeers

	Beta
A. Demography	
Education low-high	0.15
Number of Children low-high	-0.09
Educational Duration	0.05
Sex male-female	-0.04
Household size low-high	-0.04
Age low-high	-0.04
Town type rural-urban	0.04
Town size small-large	0.03
Variance Explained (r2)	3%
B. Relationship to labour market	
Holds second job	0.08
Variance Explained (r2)	8%
C. Relationship to Informal Economies	
Number of economies low-high	-0.06
Holds second job	0.06
Pays connections	0.03
Variance Explained (r2)	1%
D. Consumption	
Consumer goods index low-high	0.15
Owns shares	0.06
Variance Explained (r2)	3%
E. Attitudes to Macro-Economy	
Reforms too fast, too slow, right speed	0.18
Should return to Communist rule	-0.11
Time before the country is in good economic condition short-long	-0.11
Rating of former Communist regime	-0.08
If reforms are not effective should replace the regime	-0.06
Rating of former Communist economy	-0.04
Communist Party member	-0.03
Variance Explained (r2)	10%
F. Subjective Economic Well-Being	
Never lacking a range of items	0.14
Family situation better in the past	-0.11
Goes without clothes often-rarely-sometimes-never	0.11
Time before reach living standard with which content short-long	-0.10
Savings in the past year increased-decreased	-0.07
Economic situation of family in future good-bad	-0.07
Enough money from main job	0.05
Variance Explained (r2)	15%
G. Economic Ideologies	
State or individual responsible for welfare	0.15
High prices, more goods or low prices, fewer goods	-0.09
Income according to achievement or according to equality	0.06
Private ownership or state ownership better	0.06
Variance Explained (r2)	6%
Total Variance Explained	*36%*

2. Individualists

The second group were also favourably oriented towards market capitalism. However, for them the general economy at a macro level did not feature at all amongst their strongest values. Instead, they were defined entirely by individualistic economic ideologies. The strength of their beliefs in pro-capitalist values and the strength of their negative orientation towards the Communist system, means that we can account for a remarkable 94% of the variance in this group, 50% being due to their economic ideologies.

Table 5: Defining Variables and Factor Loadings for Individualists

Strongest values	Factor Loading
Incomes should be made more equal so that there are no big differences in income OR more successful people should be paid more (Individualists were in support of the latter)	0.536
State ownership is the best way to run an enterprise OR enterprises are best run by private entrepreneurs	0.858
It is better to have many goods in the shops even if the prices are higher OR it is better if prices are kept low by the state even if there are fewer goods in the shops	0.491
Individualists	0.818

This group also gave negative ratings of the Socialist economy and the Socialist political system and ruled out a return to Communist rule. They were generally pro-capitalist and pro-market in their orientations. Although they did not feel themselves to be as well off as the Macro-marketeers, they had also done rather well over the last year and many had increased their savings. Interestingly enough, even though 50 per cent thought that their standards had fallen over the last year, they were still strongly individualistic rather than collectivistic in their values - they supported capitalist values even, if they were not the winners from the regime change at the time of questioning.

This group was the most highly educated group of our sample - indeed many (12%) were students - and were likely to live in larger towns or in the capital city. They were mainly young people, often less than 30 and were likely to rely primarily on their main job in the formal economy rather than upon informal economies and they often held second jobs as well. They were the most likely of any group to own cars and a range of consumer goods and they were also likely to own shares. They were inserted more in the market economy than in the state system, since they were likely to work in a private or a privatised enterprise. Even if they themselves were not working, there was likely to be someone in the household who was. Like the Macro-marketeers, many of them were self-employed (7%). We could say therefore that they were both likely to be 'seduced' by capitalist values and to encounter them through their working situation.

Table 6: Characteristics of Individualists

A. Demography	Beta
Education low-high	0.17
Age young-old	-0.14
Sex male-female	-0.06
Town type rural-urban	0.03
Town size small-large	0.03
Own education compared with parents - higher	0.02
Variance Explained (r2)	7%
B. Relationship to labour market	
Holds second job	0.15
At least one person in household has a full-time job	0.09
Variance Explained (r2)	3%
C. Relationship to informal economies	
Active in unofficial economy	0.10
No. of economies active in low-high	-0.10
Help from friends	0.05
Holds second job	0.11
Uses foreign currency	0.05
Does favours	0.02
Active in all economies	-0.03
Variance Explained (r2)	3%
D. Consumption	
Consumer goods index low-high	0.16
Owns shares	0.14
Reads books	0.12
Has a car	0.07
Variance Explained (r2)	10%
E. Attitudes to Macro-Economy	
Return to Communist rule	-0.20
Rating of Communist political system	-0.09
Rating of Communist economic system	-0.09
Communist party member	-0.05
Rating of current economic system	0.04
Time before problems of the economy are sorted out short-long	-0.04
Variance Explained (r2)	10%
F. Subjective well-being	
Deprivation scale low-high	-0.17
Situation of family in future bad-good	0.11
Time before a good standard of living is achieved short-long	-0.11
Household was better off in the past	-0.06
Current household economic situation is good-bad	-0.06
Variance Explained (r2)	11%
G. Economic ideologies	
Private ownership or state ownership better	0.37
High prices, more goods or lower prices, few goods	0.34
Income according to achievement or according to equality	0.27
Variance Explained (r2)	50%
Total Variance Explained	*94%*

There were altogether 28% Individualists and they were most often found in the following countries: Croatia, Poland, Czech Republic, Romania and Slovenia. There were also relatively high numbers in Belarus and Ukraine. It would seem therefore that these are people holding highly individualistic performance-related values for themselves, even if the general economic situation of their country was very poor. A post-war situation in Croatia seems to have produced a very large group of Individualists (46%) despite the poor economic performance there (see Table 13).

3. Collectivists

Collectivists were strongly in favour of Communist forms of economic and political organisation and thought things were better in the past. This group were defined by the fact that their attitudes were favourable towards the former Communist system and were also negative about the present system and felt that the situation of their household was better before 1989. Theirs was a combination of macro- and micro- level values.

Table 7: Defining Variables and Factor Loadings for Collectivists

	Factor loading
Where on this scale would you put the Socialist economy before the revolution of 1989? (from +100 to - 100)	0.498
Where on this scale would you put the present economic system? (from +100 to - 100)	0.189
When you compare your overall household economic situation with five years ago, before the big changes in the economy, would you say in the past it was much better, a little better, about the same, a little worse, much worse	0.808
Collectivists	0.575

The Collectivists also very strongly supported a return to Communist rule (41 per cent) and were very favourable towards the Communist political system (77 per cent). Many of them (20 per cent) had been Communist Party members themselves. Most of them felt that the reforms were too slow and if the present system was unable to produce reforms it should be replaced with another.

In terms of their own subjective well-being, they were rather gloomy: many did not feel that they earned enough from their main job and were pessimistic about the present and future prospects of their family. Few had managed to save any money over the last year, although 42 per cent said that they had 'got by' and 40 per cent thought that their situation might become better in the future. We can see from the table below that most of the variance can be explained by the sense of decline in their personal family fortunes and they scored high on

the deprivation scale. Generally, Collectivists felt that their standard of living had declined since the regime change.

In terms of economic ideologies, they were strongly collectivistic, holding all the opposite values to the Individualists. Thus, they were strongly inclined to think that the state rather than the individual should be responsible for welfare that state enterprise was better than private enterprise that price control was better than consumer goods that a safe job was better than a risky one and that incomes should be equalised rather than related to performance.

In terms of the attachment to the economy, large numbers were outside the labour force (39 per cent) and few held a second job or were self employed. Many were pensioners (33 per cent). Collectivists were unlikely to own a large range of consumer goods, especially not a car nor to own shares. However, they were strongly dependent upon the state, with 53 per cent being in receipt of welfare benefits. They were most likely to work for a state enterprise if they worked, or on a collective farm and they were heavily involved in informal work, especially household production - that is, in traditional methods of 'getting by' rather than with those associated with the market economy (such as holding a second job).

Most Collectivists had only elementary education, but nevertheless were better educated than their own parents and this is perhaps one indication of how they felt themselves to have benefited from the Communist system. They were most likely to live in the countryside. There were two groups demographically - on the one hand many were pensioners, on the other hand many also had larger families. The majority of collectivist were older people (27 per cent over 60) and many were women. There were 13 per cent widows in this value group.

We might guess therefore that those holding collectivistic values were likely to be dependent upon the state for income and security, to be older women, especially ones living in the countryside. They felt they had benefited from Communism and their situation had declined since the regime change. Since they were not living in cities and owned few consumer goods (only 29 per cent owned cars against 43 per cent for the sample as a whole) they were unlikely to be 'seduced' by capitalistic, individualistic values and not very likely to encounter such values in their work situation. In terms of institutional context, many were found in Bulgaria, Ukraine, Belarus but there was also a very high number in Hungary and Slovakia. In Hungary we could hazard that their nostalgia for the Communist system was less for Stalinism than for the Kadarism which had preceded the change of 1989. Collectivists were 26 per cent of the sample and the model explained 51 per cent of the variance - a respectable amount.

Table 8: Characteristics of Collectivists

	Beta
A. Demography	
Age low-high	0.07
No. of children low-high	0.08
Town type rural-urban	-0.04
Own education compared with parents (upwardly mobile)	0.03
Education low-high	-0.06
Educational duration	0.04
Town size small-large	0.03
Sex male-female	0.02
Variance Explained (r2)	2%
B. Relationship to labour market	
Short time or not paid in the last year	0.11
Holds second job	-0.11
Current employment situation (employed)	0.08
No. of weeks unemployed	-0.07
Variance Explained (r2)	3%
C. Relationship to Informal Economies	
Holds second job	-0.08
No of economies in which is active	0.06
Foreign currency use	-0.03
Help from friends	-0.02
Variance Explained	1%
D. Consumption	
Consumer Goods Index	-0.18
Variance Explained (r2)	3%
E. Attitudes to macro-economy	
Rating of past Communist political system	0.21
Rating of future economic system	-0.22
Should return to Communist rule	0.16
If economic system shows no results replace it	0.07
Speed of reforms too fast, too slow, right speed	-0.04
Rating of former Communist economy	0.04
Member of Communist Party	0.03
Variance Explained (r2)	10%
F. Subjective economic well-being	
Family situation was better in the past	0.42
Deprivation scale low - high	0.11
Time before satisfactory living standard reached short-long	0.09
Earns enough money from main job	-0.08
Current economic situation of family satisfactory	-0.08
Variance Explained (r2)	26%
G. Economic ideologies	
Private ownership or state ownership better	-0.15
State or individual responsible for welfare	0.11
Higher prices, more goods or lower prices, few goods	0.09
Incomes according to achievement or income according to equality	0.02
Variance Explained (r2)	6%
Total Variance Explained	***51%***

4. Pessimists

The final two categories were more difficult for us to characterise. They were neither pro-capitalist nor pro-Communist - they were against both systems. The Pessimists were defined by the fact that they were pessimistic about how long it would take them to reach a satisfactory standard of living, about how long they thought it would take the government to sort out the economic problems of the country and about the situation of their family in five years time. In other words they were pessimistic about both the prospects of the country at a macro level and about their own prospects at a micro level.

Table 9: Defining Variables and Factor Loadings for Pessimists

	Factor loading
How long do you think it will take you before you have reached a standard of living with which you are content? 1-2 years, 3-5 years, 6-10 years, more than 10 years, never	0.532
How long do you think it will take for the government to sort out the economic problems of this country? 1-2 years, 3-5 years, 6-10 years, more than 10 years, never	0.440
What do you think the economic situation of your family will be in five years time? Much better, a little better, about the same, a little worse, worser	0.837
Pessimists	0.638

Like the Collectivists, the Pessimists had quite a positive rating of the Socialist political system, the Socialist economy, but unlike the Collectivists, they generally ruled out a return to Communist rule. In general, however, they supported neither the Communist system nor the current system.

In terms of their own subjective well-being, Pessimists thought that they were not earning enough from their main jobs and that their situation was better under the previous systems - 28 per cent thought they would never be content with their household living standard. Like the Collectivist, they had had to borrow money or spend their savings over the last year and few had seen their savings increase. Pessimists were more likely to hold collectivistic rather than individualistic values on all the questions associated with economic ideologies and like the Collectivists, many were pensioners (37 per cent were living on pensions) and nearly half were outside the labour force. Pessimists were not very likely to own consumer goods or shares but were highly likely to be living on welfare benefits (54 per cent). If they worked, it was most likely for a state employer or a collective farm. Pessimists were involved in informal economic and subsistence production. They used 'traditional' methods to make ends meet.

Table 10: Characteristics of Pessimists

A. Demography	Beta
Age low-high	0.11
Education low-high	-0.08
Sex male-female	0.03
Duration of Education	0.03
Town type rural-urban	-0.03
Town size small-large	0.03
Variance Explained (r2)	2%

B. Relationship to labour market	
Holds second job	-0.09
Variance Explained (r2)	1%

C. Relationship to informal economies	
Holds second job	-0.10
No. of economies in which is active	0.06
Uses foreign currency	-0.04
Uses help from friends	-0.03
Variance Explained (r2)	1%

D. Consumption	
Consumer goods index	-0.14
Owns shares	0.06
Variance Explained (r2)	3%

E. Attitudes to macro-economy	
Time before economic problems of the country sorted out short-long	0.37
Rating of economic system in future	-0.12
Should return to Communist rule	-0.08
Rating of Communist economic system	0.06
Membership of Communist party	0.02
Variance Explained (r2)	19%

F. Subjective Well being	
Earns enough money from main job	-0.70
Deprivation scale low-high	0.10
Doing without food	0.60
Often lacking a range of things	0.50
Sometimes lacking range of things	0.63
Rarely lacking a range of things	-0.70
Never lacking a range of things	-0.26
Variance Explained (r2)	36%

G. Economic Ideologies	
State or individual responsible for welfare	-0.09
Private ownership or state ownership better	0.07
Income according to achievement or according to equality	0.06
High prices, more goods or low prices, few goods	-0.06
Variance Explained (r2)	3%
Total Variance Explained	**65%**

Pessimists were not well educated, were most likely to live in a rural area and the majority were female. Like the Collectivists, many were widows, many were elderly (more so than the Collectivists) and therefore not so likely to have children. We could say therefore that the Pessimists were not 'seduced' by capitalism since they did not live in cities and did not own consumer goods, nor were they likely to encounter new values through their workplace - many were not at work. Being dependent upon the state for their welfare to a great extent, they were suffering from the decline of state resources and increasing insecurity. They were probably rather accurate in assuming that their situation was likely to get worse rather than better.

Pessimists were similar in profile therefore to Collectivists, except for the fact that they did not so strongly support the previous Communist systems or a return to Communist rule. They were most often found in Slovakia, Hungary, Bulgaria and Romania. It seems that in the Czech Republic and Poland there was also a large count - presumably people there are polarised between pro-capitalist values and these rather pessimistic values. Pessimists number 30 per cent of the sample and the model explains a high proportion of the variance - 65 per cent.

5. Depressed

The last group were depressed in terms of their estimation of their own economic situation. However, the composition of this last group was a surprise for us. We would hypothesise that they included the unemployed and pensioners. This was not the case. The most depressed were the young working poor with families.

This group were defined by the fact that they did not earn enough from their regular job to meet their needs, that they rated the situation of their family today as bad and that they had managed the last year only by spending their savings and borrowing money. They were the most pessimistic of all our respondents, having the least confidence in their own situation. They were less concerned with the macro-level economy than with their own situation.

Table 11: Defining Variables and Factor Loadings for Economically Depressed

	Factor loading
Do you get enough money from your regular job to buy what you really need? Definitely enough, just enough, not quite enough, definitely not enough.	0.648
As for your own family, how do you rate its economic situation today? Very satisfactory, fairly satisfactory, not very satisfactory, very unsatisfactory.	0.760
In the past year has your family: saved money, just got by, spent some savings, borrowed money, spent savings and borrowed money	0.720
Depressed	0.791

The Economically Depressed were living from savings and borrowed money and although they had a very gloomy view of their present family situation and nearly three quarters thought their family situation was better before the regime change, nevertheless, 44 per cent were optimistic about future prospects and thought that their family situation might be better in the future. This was in contrast to the Pessimists, who saw only worse things to come even if their present situation was not so bad. The Economically Depressed were very negative about the current macro-economy and quite sympathetic to the past Socialist economy, but ruled out any return to Communist rule. They were much more pro-market than the Collectivists or the Pessimists both in terms of their ideologies and in terms of their rating of the macro-economy. In terms of economic ideologies, they were generally aligned with the Collectivists and Pessimists but were more individualistic than either of those two groups.

Not a single depressed person was living on benefits and almost none of them were pensioners - 97 per cent were fully employed and this group were completely dependent upon the labour market for their main income. Quite a large number had second jobs (30 per cent) and they were also active in the informal economies, including household production. They were most likely to work in a state enterprise, but a number of them also owned shares. However, one variable very strongly associated with the Economically Depressed is the number of weeks that they had been unemployed. It seems that although they were presently employed, they were also likely to have been unemployed and this may account for their desperate financial situation.

In terms of consumer goods, they were more aligned with the first two groups, so we could hypothesise that this group was indeed 'seduced' by capitalist values, but did not have enough income to meet their aspirations or had suffered a severe drop in living standards in the recent past.

This group were almost entirely younger households (only 1 per cent over 60) and were married with children. Their households were the largest of any of our attitudinal groups. This was the only value group, where sex made little difference - both men and women were likely to be Economically Depressed.

The Economically Depressed were most likely to live in Poland, Slovakia, Hungary, and Slovenia, some of the wealthiest countries. The poorest countries - Ukraine and Belarus had no Economically Depressed people at all. There were also many in Bulgaria, a situation we can explain by the rapid decline in living standards there over the year that the survey was carried out. It seems therefore that this group were relatively deprived - compared with their own aspirations and with that of their co-nationals surrounding them. However, the Economically Depressed were only 8 per cent of the sample and the model explains very little of the variance - only 10 per cent.

Table 12: Characteristics of Economically Depressed

A. Demography	Beta
Age low-high	-0.11
No. of children low-high	0.04
Duration of education	-0.04
Town size small-large	-0.03
Household size	0.03
Education low-high	-0.02
Variance Explained (r2)	2%

B. Relationship to labour market	Beta
Current employment situation employed	0.16
Number of weeks unemployed	0.10
Variance Explained (r2)	3%

C. Relationship to informal economies	Beta
Holds second job	0.10
No. of economies in which active	-0.10
Active in social economy	0.03
Uses foreign currency	0.02
Variance Explained (r2)	1%

D. Consumption	Beta
Consumer goods index	0.12
Reading books	-0.06
Variance Explained (r2)	1%

E. Attitudes to macro-economy	Beta
Economic reforms going too fast, too slow, about right speed	-0.05
Member of Communist party	0.03
Time before economic problems of country are solved short-long	0.02
Rating of economic system in future	-0.02

F. Subjective economic well-being	Beta
Deprivation scale	0.11
Savings increased, stayed same, decreased in last year	0.08
Time before reach standard of living with which content short-long	0.05
Variance Explained (r2)	3%

G. Economic ideologies	Beta
Incomes according to equality or according to achievement	-0.04
Variance Explained	0%
Total Variance Explained	**10%**

Overlap between groups

Since we were considering value orientations, it is possible that there is some overlap between the different groups. The overlap can be illustrated in the following diagramme:
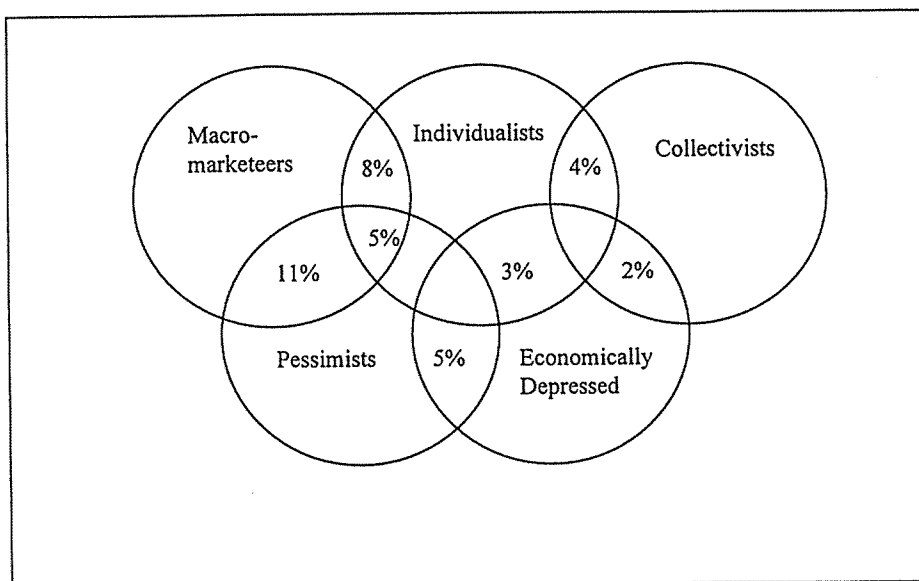
It can be seen that there was some overlap between some groups and not others. There was no overlap between Collectivists and the Macro-marketeers nor between the Depressed and the Macro-marketeers. In general, there was not a great deal of overlap between groups - the sample tended to fall into quite distinct attitude types. This means that the factors were orthogonal.

Table 13: Value types by country

	Macris	Indivs	Collect	Depress	Pessis
Poland	28	38	8	15	26
Czech Republic	43	30	6	6	23
Slovakia	19	19	22	16	32
Hungary	8	21	32	14	34
Slovenia	24	34	9	14	14
Croatia	13	46	16	17	16
Romania	23	33	17	-	25
Bulgaria	9	16	34	19	29
Ukraine	3	23	22	-	13
Belarus	5	23	21	-	14
Size:	17%	28%	26%	8%	30%
Eta	65	20	40	21	17

Discussion

Having described these attitudinal groups, we can now turn to what dimensions were differentiating them. One set of value dimension clearly emerging was in terms of the collectivist-individualist values as illustrated in the economic ideology questions. It is evident that the Individualists and Macro-marketeers were on one side, whilst the remaining groups tended to be mainly on the other. We could say from this there was a strong group of pro-capitalists emerging who number nearly half the population - 45 per cent. We might predict that the number of Macro-markteers would decline, if the economy declines, as happened in Hungary, but the Individualists were a younger group and were spread through all the different countries. Whereas Macro-marketeers were dependent upon institutional context, Individualists were there irrespective of institutional contexts. We could see these as the agents of capitalism, since they did not seem to depend upon institutional contexts for their beliefs.

Another dimension would be the macro-micro economies. People doing well themselves, might be assumed to rate positively the macro economic situation, and people doing badly may be pessimistic about the economy, but this was only the case with the Macro-marketeers and the Pessimists. Macro-marketeers were doing well and were positive about the economy, whilst Pessimists were doing badly and rated the market economy negatively. However, this was not the case for other groups. Individualists held strongly anti-state orientations, even when they were not always doing well themselves. Collectivists were very negative about the present economic situation and wanted a return to Communist rule, even when they were not the poorest group in terms of subjective poverty. The Economically Depressed felt that they were struggling to survive, but nevertheless held many individualistic values. However, we have to take into account their relative position. People, who were relatively worse off compared to last year, or compared with their position under the previous system, are likely to be negative about the present one. This is how we could account for the fact that there were so many Pessimists and Collectivists in Hungary and in Bulgaria, but a relatively large number of optimists in Romania. Different groups attributed different weights to the economies at micro and macro level. This could be summarised thus:

	Optimistic	Pessimistic
Macro-level economy orientation	Macro-marketeers	Pessimists Collectivists
Micro-level economy orientation	Individualists	Depressed Pessimists

This leads us to the question : who perceive themselves to be the winners and losers of the transformation process? It is evident that the people who feel they are losers are young people with large families and who are working, but whose incomes are not sufficient to cover their outgoings, perhaps due to a previous spell of unemployment. These are heavily concentrated only in certain countries. The second group of people, who perceive themselves to be losers, appear to be women living in the countryside, especially those on collective farms, who have the impression that everything has got worse since the regime changes and that their situation under Communism was better. The more people are dependent upon the state (for pensions or benefits), they more likely they are to be pessimistic and collectivistic. Another group of losers would therefore be those, who have to depend upon state welfare. These are older people who have not only lost out from the regime change, but would perhaps be more inclined towards nostalgia towards the past. These older women may have lived through the hard times of the Second World War, the hard times of Socialist reconstruction thereafter and may feel that their struggles and sacrifices had been for nothing, since they also face hard times now. If they live in Belarus, Ukraine, Romania or Bulgaria, they would have had little exposure with consumer capitalism, had little chance to travel anywhere else - they also do not read books or have colour TVs or cars - and are therefore cut off from consumer capitalism. Their perception is that things have only got worse.

In the Czech Republic, by contrast and in Romania and Poland and Slovenia, where economic performance has been good, there are a large number of people with confidence in the economy and who also hold individualist values. There are a large number of Pessimists and Collectivists in Hungary, although we might expect there to be more winners of the transformation process, because it is not the poorest reform country in terms of GDP per capita. However, in Hungary, the relative situation of households has declined in recent years with an economic trough being visible over the last few years and with considerable nostalgia for the relative security of the Kadarist Communism of the 1980s. Therefore we can conclude that institutional contexts do have an impact.

The winners of the transformation process are concentrated in the most prosperous countries and are likely to work in the reformed sectors of the economy - the private and privatised sectors - or to work for themselves.

One of our hypotheses was that people would absorb capitalistic values through either their participation in the work place or through being 'seduced' by consumer capitalism. This seemed to be the case. Those with many consumer goods (even if they felt themselves to be poor), those who lived in big cities and had access to shops and supermarkets and those living in border countries with the European Union were likely more to be pro-capitalist in their orientation. Living in the countryside and having few consumer goods was associated with being anti-capitalist. Our argument therefore is that it is exposure to market capitalism through participation in the workplace in private companies or as self employed, through

buying shares or through being 'seduced' by consumer capitalism, which helps to change values.

There also seemed to be a generational change in attitudes. Our first two attitudinal groups were mainly younger people, whereas older people were more likely to be Collectivists or to be Pessimists. We could predict therefore that pro-capitalist values are likely to spread in future as the older generation die off. However, generation is also intertwined with gender issues. Younger men are generally in the pro-capitalist camp, whereas older women are in the camp inclining towards Communism or against everything. It is possible that the marketisation of the economy and the labour market has benefited younger men who are able to take advantage of the possibilities offered. This would correspond with Peggy Watson's argument that the reintroduction of market capitalism has lead to a re-masculinisation of society (Watson 1993). Older women by contrast, are more likely to be pensioners and to be responsible for family budgets (Wallace 1997). They were often caring for children and grandchildren as well as for themselves and were likely to feel the decline in the family budget from a variety of sources most acutely. Women with families and older women are also likely to have suffered from the erosion in facilities for families and children by the state and by enterprises which accompanied marketisation. In many countries (but not all) women are also more likely to be unemployed than men. There are therefore good reasons why older women should be pessimistic about the changes in the economy or may prefer a Communist system.

It is significant perhaps that those, who most support capitalism, are also most likely to be without children. They are less likely to feel the loss of state support for families and are able to participate more fully in the self-indulgence encouraged by consumer capitalism. It is also possible that they are pioneering new childless life-styles or a tendency to postpone child-bearing, which is general throughout the region.

Whilst it was clearly the case that being pro-capitalist was associated with being anti-Communist, it was not the case that being against the previous regime made people into capitalists or that being against the current regime made people into Communists. There were considerable numbers of people (Pessimists and Depressed), who supported neither regime strongly even through they felt under pressure and their living standards had declined as a result of their experiences of marketisation.

Conclusions

It is evident from these results that in order to understand economic attitudes, one has to see them as historically grounded. Only by understanding the different kinds of Communism, which existed in the region and the different routes taken by different countries out of Communism, can we understand the institutional context of these attitudes and therefore how they differ.

To return to our original question posed in the title: who is for capitalism and who is for Communism? There are basically two kinds of people for capitalism - those who are favourably inclined towards the macro-market economy and those who are 'individualists' in their orientation. Together, these constitute nearly half the population of the 10 countries, although found more often in some countries than others. Both of these group are optimistic about their current situation and about the future and have benefited personally (in terms of perceived affluence) from the changes. However, the numbers of Macro-marketeers at any rate, are likely to dwindle if the macro-economic situation deteriorates, whilst this is not the case for Individualists, our most strongly defined group.

There is one group for Communism - what we termed 'Collectivists' - who see their living standards as having deteriorated since the changes and who thought Communism in the past was better and would be a better form of economic organisation in the present as well. They were generally against the changes, which had taken place. These number about one quarter of the population - they are a minority.

However, a large number of those remaining - 38 per cent - do not support either system. They have suffered from the changes, which have taken place and are pessimistic about he future for themselves and for the economy. But they do not support any other system either. It would seem therefore that despite economic hardship, these are not generally likely to support Communism. We might term them disillusioned.

The things that make people pro-capitalist are their connection to the labour force - if they are employed in the new marketised parts of the labour force, if they are not dependent upon welfare benefits and their degree of 'seduction' by consumer capitalism. Pro-capitalism is also associated with location, age, gender and family situation. Those without families, who are young and also male and urbanites, are most likely to be pro-capitalist. We could predict therefore that the further penetration of consumer capitalism, further privatisation, encouragement of market reforms and simply time will enable capitalism to win as the dominant ideology in the region at the end of the day.

Appendix

Additional tables showing characteristics of the five attitudinal groups
(Eta values given in brackets - otherwise percentages)

A.1 Consumer Goods

	Macris	Individs	Collect	Depressed	Pessis	All
Have a car	61 (17)	59 (20)	29 (17)	50 (04)	30 (16)	43
Have colour TV	81 (06)	85 (15)	70 (07)	76 (01)	68 (09)	74
Have telephone	63 (05)	71 (16)	54 (05)	61 (02)	51 (10)	57
Consumer goods index (high)	19 (07)	23 (15)	15 (08)	19 (03)	11 (09)	16
Read books (never)	17	13	26	29	30	25
often	35	41	30	26	29	31
Eta	(05)	(18)	(02)	(04)	(08)	

A.2 Relationship to Market Economy

	Macris	Indivs	Collect	Depress	Pessis	All
Owns shares	25 (10)	24 (17)	11	16 (01)	9 (10)	14
Claims welfare benefits	36 (09)	33 (16)	53 (08)	18 (17)	54 (10)	46
Works in:						
Government agency	18	21	26	17	22	20
State enterprise	40	38	42	47	44	44
Privatised enterprise	15	14	13	16	13	13
New Private	24	22	10	17	13	8
Collective farm	3	3	8	2	7	5
Indiv. farm	1	2	1	1	2	2
Eta	(11)	(12)	(14)	(08)	(08)	

A.3 Relationship to informal economies

	Macris	Indivs	Collect	Depress	Pessis	
Household production	54 (01)	49 (08)	60 (05)	57 (01)	59 (04)	**56**
Growing Food	12	12	18	13	19	**16**
Repair house	6	5	2	5	4	**4**
Favours	1	1	1	1	1	**1**
Friends help	1	2	2	2	2	**2**
Foreign Currency	1	1	-	-	-	**-**
Second job	4	5	3	5	2	**3**
Money on the side	1	-	2	2	2	**2**
Main job	57	60	45	70	42	**22**
Pension	16	12	26	1	28	**22**
Job benefits	-	-	1	1	1	**1**
Eta	(12)	(20)	(10)	(17)	(13)	

A.4 Attitudes to Macro-economy

	Macris	Indivs	Collect	Deprss	Pessis	All
Return to Communist rule (number saying yes)	6 (20)	6 (30)	41 (31)	18 (03)	29 (16)	**21**
If the present regime does not show results, soon should replace it with another one.	23 (15)	32 (07)	53 (19)	37 (02)	45 (09)	**38**
Time before economic problems of economy are solved (up to 5 years plus solved already)	22(17)	15(12)	9 (12)	9 (05)	-(39)	**13**
Economic problems will never be solved	6	11	17	12	20	**12**
Economic reforms too fast	6	7	9	12	12	**10**
Economic reforms too slow	52	71	80	73	73	**69**
Economic reforms right speed	43	23	11	15	15	**21**
Eta	(25)	(07)	(16)	(05)	(10)	
Positive rating of Socialist economy	47	45	100	59	69	**61**
Negative rating of Socialist economy	44	44		32	22	**30**
Eta	(15)	(21)	(49)	(02)	(11)	
Positive rating of current economy	100	49	-	30	28	**39**
Negative rating of current economy		41	100	54	61	**50**
Eta	(57)	(13)	(61)	(03)	(15)	
Positive rating of economy in five years	100	74	41	51	52	**67**
Negative rating of economy in five years		18	45	25	33	**22**
Eta	(33)	(09)	(30)	(05)	(20)	
Rating of Communist political system:						
positive	29	22	77	46	56	**47**
negative	62	62	19	42	34	**43**
Eta	(18)	(25)	(36)	(02)	(12)	

A.5 Economic Ideologies

	Macris	Indivs	Collect	Depress	Pessis	All
Individual responsible for welfare	61	54	29	37	33	**41**
State responsible for welfare	39	46	71	63	67	**59**
Eta	(19)	(17)	(16)	(03)	(12)	
Private enterprise better	66	100	38	49	44	**53**
State better	34		62	51	56	**47**
Eta	(13)	(60)	(22)	(03)	(12)	
Price control and few goods	26		58	54	53	**44**
High prices, many goods	74	100	42	46	47	**56**
Eta	(17)	(56)	(18)	(04)	(12)	
safe job, low pay	59	47	69	66	68	**63**
risky job, high pay	41	53	31	34	32	**37**
Eta	(07)	(23)	(11)	(04)	(06)	
Incomes according to equality	27	-	46	46	48	**40**
Incomes according to achievement	73	100	54	54	52	**61**
Eta	(12)	(51)	(10)	(04)	(11)	

A.6 Demographic Characteristics

	Macris	Indivs	Collect	Depress	Pessis	All
Education:						
Elementary	17	16	35	23	35	**29**
Second. vocational	29	25	23	39	27	**27**
Second. academic	35	35	29	26	27	**30**
University	21	24	14	13	11	**15**
Eta	(13)	(22)	(08)	(09)	(09)	
Duration of Education	(32)	(34)	(12)	(16)	(16)	
Town size	(06)	(11) (larger towns more)	(07) (villages)	(06)	(05)	
Rural area (123)	35	31	51	46	43 (09)	**41**
Industrial town, or big city (45678)	65	69	49	54	53	**59**
Lives in Capital	11	14	9	11	11	**11**
Eta	(12)	(15)	(10)	(06)	(09)	
Household size 3 or less	69 (09)	60 (08)	63 (05)	50 (13)	65 (11)	**63**
Children under 18:						
None	85	72	68	64	76	**75**
one	8	16	18	18	14	**14**
two	6	10	13	15	9	**10**
More than two	1	2	2	2	1	**1**
	(11)	(05)	(10)	(09)	(03)	
% Female	49 (05)	48 (07)	56 (02)	54 (01)	57 (04)	**54**
Age Less than 30	27	31	19	23	16	**23**
Age more than 60	19	12	27	1	30	**23**
	(05)	(20)	(07)	(18)	(13)	
Marital Status						
Single	22	24	19	17	17	20
Married	62	62	58	66	59	59
Divorced	6	7	10	12	9	8
Widowed	10	8	13	5	16	13
	(04)	(10)	(04)	(12)	(07)	

A.7 Labour Force Participation

	Macris	Indivs	Collect	Depres	Pessis	All
Unpaid(self or other in house-hold)	8	12	19	23	15	**14**
Weeks without income (Eta)		(04)	(06)	(12)	(03)	
Labour market						
Outside Labour force	31	28	39	-	42	**36**
Unemployed	3	5	8	-	7	**7**
Self-employed	7	7	2	3	2	**4**
Employed	58	60	52	97	50	**53**
Eta	(14)	(15)	(07)	(27)	(08)	
Holds second job	24 (03)	30(13)	17 (06)	30 (06)	16 (08)	**21**
At least one person in house-hold in labour force full-time	89 (07)	91(12)	81 (05)	100 (13)	80 (07)	**84**
Housewife or student	9	12	6	-	5	**8**
Pensioner	22	15	33	1	37	**28**

A.8 Subjective Economic Well-Being

	Macris	Indivs	Collect	Dessis	Pessis	All
Earning enough from main job (definitely enough and just enough)	72 (39)	48	21 (20)	- (36)	20 (23)	37
Situation of family today good or very good	100 (65)	48 (21)	14(30)	- (21)	13 (28)	33
Situation of family was better 5 years ago	38 (25)	52(16)	100 (51)	71 (07)	77 (21)	62
Economic situation of family will be better in the future	64 (21)	60(20)	35 (19)	44(03)	- (63)	46
Time before will be content with living standard (less than five years or already content)	42 (26)	31(19)	13 (15)	12 (08)	-	21
Will never be content	6	11	21	19	28	16
Getting by						
Saved money	31	21	4	-	4	12
Got by	50	47	42	-	49	49
Spent savings	14	18	24	49	24	20
Borrowed money	3	9	18	30	14	12
Spent and borrowed	2	6	11	21	9	7
Eta	(30)	(17)	(19)	(43)	(15)	
Savings during last year						
increased	29	24	12	9	11	18
stayed the same	48	42	40	35	43	45
decreased	23	35	48	56	46	37
	(18)	(11)	(14)	(13)	(12)	
Destitution Scale						
Never deprived	60	42	17	19	21	32
1	12	12	9	9	25	11
2	12	14	14	15	12	13
3	6	11	13	15	13	12
4	4	7	12	12	11	9
5	2	6	12	9	11	8
6	2	4	11	11	10	7
7	1	2	6	5	6	4
8	-	1	4	4	3	2
Often in all 3	-	1	4	3	4	
	(23)	(18)	(22)	(10)	(18)	

	Macris	Inidvs	Collect	Depr	Pess	All
Not often lacking 0	94	84	61	66	65	74
1	5	13	26	24	24	18
2	1	3	10	7	8	6
3	-	1	4	3	4	3
	(20)	(14)	(18)	(05)	(13)	
Some lacking 0	74	67	62	63	60	65
1	10	26	29	28	30	26
2	6	7	8	8	8	7
3	1	1	1	2	2	2
	(09)	(04)	(05)	(08)	(06)	
Never lacking 0	74	67	62	63	60	65
1	19	26	29	28	30	26
2	6	7	8	8	8	7
3	1	1	1	2	2	2
	(09)	(04)	(05)	(08)	(06)	
Without food rarely or never	93 (22)	85(15)	66 (16)	68 (08)	69 (14)	76
Without heating rarely or never	95 (19)	89 (14)	74 (15)	79 (03)	74 (15)	82
Doing without clothes rarely or never	82 (27)	65 (15)	40 (20)	39 (10)	44 (15)	55

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Institut für Höhere Studien

Institute for Advanced Studies

Stumpergasse 56

A-1060 Vienna

Austria

Phone: +34-1-599 91-149

Fax:　　+34-1-599 91-163

e-mail: woergoet@ihs.ac.at