1

Cities in the Transition

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Writing about the February Revolution in Russia, precursor to the October Revolution that swept the Bolsheviks to power, Trotsky (1967/1932–3: 141–5) highlighted the leadership role played by the Petrograd workers and the crucial importance of political developments in the capital city. He writes '[i]t would be no exaggeration to say that Petrograd achieved the February revolution. The rest of the country adhered to it. There was no struggle anywhere except in Petrograd.' He adds, '[i]f the capital plays as dominating a role in the revolution as though it concentrated in itself the will of the nation, that is simply because the capital expresses most clearly and thoroughly the fundamental tendencies of the new society.' More prosaically, he points out that in Russia as elsewhere, the ruling class and those who sought to overthrow them naturally concentrated in the capital city, so, not to paraphrase Trotsky, this was where the action (mainly) was.

The Soviet system was born, therefore, as an immediate consequence of an urban-based struggle for dominance. Between 1989 and 1991 it died in similar locations. Much of the drama of these years was played out in the capital (and other major) cities of the Soviet Union and the state socialist countries of East and Central Europe. Inevitably those of us who observed as amazed and stunned onlookers from the West remember the television images of the struggle in the cities – the destruction of the Berlin Wall, the Velvet

Revolution in the streets of Prague, the resistance in the streets of Moscow to the 1991 coup that marked the final spasm of the Soviet system.

However, the role of cities and urbanization in the formation of capitalism and socialism, and the two transitions between them that we have witnessed in the East in this century, go far beyond the immediacies of the street politics of revolution. Behind the phenomenon of the Petrograd proletariat lay capitalist industrialization and its consequences, urbanization and the creation of a new class structure, together with a system of political domination that was essentially city based, in terms of its ruling elites and the state apparatus. Likewise, state socialism, with its emphasis on industrialization under the control of a centralized one-party state, created cities and ruled from them. Therefore, the cities of capitalism and socialism both shape and are shaped by their respective forms of economic organization, class formation and political structures. The socio-spatial organization of cities, their politics and administration, their housing and property markets, their patterns of social interaction are directly linked to the major features of the socialist and capitalist orders.

This book is concerned to identify and analyse some of these links and how they are changing in the process of transformation now occurring in Eastern Europe and the territories of the former Soviet Union (FSU). As will immediately become evident to the reader, this is no easy task, as it involves drawing conclusions about phenomena and processes that are still evolving at a rapid rate and, frequently, under chaotic circumstances. However, there are two reasons why periods of such tumultuous social and urban change pose a challenge to social science which ought not to be ignored. The first concerns the contribution that social science can make to policy debate and prescription. In the current case, as several of the following chapters demonstrate, a new urban society is evolving that is deeply but mistakenly influenced by drastically over-simplified and even dangerous attempts to reject and/or ignore the significance of persisting legacies from the socialist period. Similar dangers also lie in the over-eager adoption of presumed characteristics of capitalist economies and urban systems. The doctrines of neo-liberal economics, tried and found wanting in the West during the 1980s, are having a rerun a decade later in the East. One purpose, then, of this book is to substitute analysis for ideology in the task of understanding the urban transition that is now under way, and thus contribute to counteracting the belief that a new social order can be produced according to the neo-liberal (or any other) rule book.

A second aim links to the first but is more ambitious. It is to understand more about the distinctive nature of cities and urbanization in differing social formations, namely in the now abolished state socialist societies, in Western capitalist societies and, crucially in the context of this book, in the emergent forms of capitalist urbanization now occurring in the East. What were socialist cities, and what is succeeding them? What are the dynamics of this transition? Are these remade cities similar in most respects to those in the 'advanced' capitalist world? Or might they be more like the peripheral capitalist cities of the Third World, or some hybrid or new form? What, if anything, is the legacy of the old socialist urbanization for the emergent one? Is urbanization best understood as a functional consequence of advanced industrial societies, with technologically derived uniformities that far outweigh in importance the impact of capitalist and socialist modes of domination?

In this book some of these questions receive clearer answers than others, understandably, given the historical conjuncture in which it has been written. Some of the questions have only come on the agenda for urban social theory and research since the collapse of state socialism, others have been pursued by urban analysis since the early days of (what was) the 'new urban sociology' of the 1960s and 1970s. Discussing the debate on the nature of socialist urbanization some fifteen years ago, the current author suggested that it was at times of crisis that the nature of urban regimes might most clearly be revealed, hence their value in a research context (Harloe, 1981: 190–1). Subsequent work on the evolution of social housing in Western Europe and America has also shown the crucial significance of periods of societal crisis and restructuring in the longer-run determination of aspects of urban development (Harloe 1995). The crises associated with the transformation in the societies and cities of former state socialism, therefore, offer an opportunity to gain fresh insights into the nature of socialist urbanization and to lay the foundations to an understanding of the nature of its successor. And, in so far as the new bears some marks of the old upon it, a study of the transition period is, of course, essential.

THE NATURE OF THE TRANSITION AND THE SIGNIFICANCE OF CITIES IN IT

This last point leads naturally to an issue which is of much wider relevance than simply its significance for understanding the emergent patterns of urbanization. This concerns the theory of transition

itself, what is involved in transition, how it proceeds and how it relates to the previous histories of the societies in which it takes place – does it involve a simple negation of the previous social order or a more complex mixture of rejection and adaption? Given the central place occupied by cities and urbanization in both state socialism and capitalism, sketched out above, it may readily be seen that these questions are just as applicable to the urban sphere as they are to society more generally.

In this introduction to a study of cities in transition, it would not be appropriate to provide an in-depth review of the rapidly burgeoning literature which is exploring the nature of the transition and the questions outlined in the last paragraph. Only some brief indications of key issues and perspectives can be attempted here. A useful starting point is to outline the three principal features of state socialism, the blueprint, as it were, for the system that developed in Russia after 1917, was more or less forcibly imposed on Eastern Europe after 1945, and was variably achieved in practice. These features were, first, state monopoly ownership of the means of production and of most of the means of collective consumption as well, together with the substitution of centralized planning for market-led distribution of investment, incomes and consumption goods and services. Second, there was the political domination of the Communist Party, acting through a centralized state apparatus, which sought to control and order every aspect of social, economic and political life. Finally, there was the development of a distinctive class structure or socialist rank order, with the elimination of the bourgeoisie as a distinctive social category, the creation of a modestly differentiated broad 'middle mass' of the population, a politico-military, industrial and intellectual elite, and an equally limited stratum or 'underclass' of those who were excluded from the mainstream of society.[1]

In a few short years at the end of the 1980s the centrally planned economies of state socialism disintegrated, although this was of course merely the culmination of a longer-term crisis in their functioning. At the same time, the Communist parties lost their grip on the state and soon ceased to exist at all (although some spawned successor parties). Finally, although this takes longer, transformations are under way in the class structure.

With some nuances this description of the nature of the ancien regime and its fate would be accepted by most of those seeking to explain the nature of the transition. But at this point a broad division occurs between what is probably the majority of social scientists (including those economists who have a serious track record of

research in the former state socialist countries) and a wide range of public opinion (in both East and West), many of the international agencies now involved in the East, such as the World Bank and the IMF, the plethora of Western consultants and advisors who desire to act as the midwives of the new order, many in government and the public administration whom they advise, and so on.

What the latter group, more powerful by far than the former, has insisted upon, especially in the early years of neo-liberal economic 'reform' and privatization, is the notion, even the necessity for political and economic reasons, of the fastest possible abandonment of all aspects of state socialism and its replacement by (neo-)liberal democracy, with the least possible role for the state (and as decentralized an administration as possible) compatible with free markets and the private ownership and exploitation of capital. In short, as mentioned above, it insists upon the substitution for state socialism of capitalism wrought in the image of Reagan and Thatcher, Hayek and Friedmann.

From the start many social scientists were as sceptical about the viability of this destination for the societies of Eastern Europe and the FSU as they had been for its viability in the West in the previous decade. More importantly, as processes of economic, political and social restructuring unfolded, the empirical validity of the 'big bang' theory of the transition was soon called into question. Among the most valuable of the empirical studies of recent years have been those into the nature and effects of privatization. In a series of seminal contributions Stark (for example, 1990, 1992b) and his colleagues have drawn on earlier theories of institutional change in the context of enterprise privatization in a number of Eastern European countries, to point to the 'path-dependent' nature of the economic transition now occurring.[2] In his remarkable book on regional government reform in Italy, Robert Putnam (1993) has also pointed to its varied, hence path-dependent nature – as he says, path-dependence is just another way of saying 'where you get to depends on where you're coming from' (ibid.: 79). This is no less true when we enquire into the varied processes of economic reform after state socialism. It means that we cannot turn our backs on the legacy of the past if we want to understand the present. Nor can we accept, as some do, that 'state socialism' was a cross-nationally identical phenomenon, or that a similarly uniform description and analysis can be provided of the transition. Equally important is the remainder of the quotation from Putnam started above, 'and some destinations you simply cannot get to from here'. In other words, while it may be true but almost trivial to note that the transition is from state socialism to

capitalism, what *sort* of capitalism it will turn out to be is an open question to which there are likely to be some varied answers.

This insistence on the value of recognizing the path-dependent nature of the transition, and therefore of paying heed to the impact of the past on the present and likely future, is one that informs the approach taken in this book. Socialist cities had their own physical and social structures; they do not just change overnight into capitalist cities, as unlike their predecessors as apples are to oranges. So the early part of our book reviews what were socialist cities, and many later contributors return to these matters as an essential component in their analyses of aspects of the urban transition.

Putnam's work is also thought-provoking when we come to consider the nature of political and class restructuring in the transition. His argument is that effective democracy requires strong, community-based networks of civic engagement which serve to engender societal trust and co-operation, and that this trust, the norms on which it is based and the networks in which social action based on trust is embedded, amount to a form of 'social capital'.[3] He writes:

> [s]tocks of social capital, such as trust, norms and networks, tend to be self-reinforcing and culminative. Virtuous circles result in social equilibrium with high levels of cooperation, trust, reciprocity, civic engagement, and collective well-being. These traits define the civic community. Conversely, the absence of these traits in the *un*civic community is also self-reinforcing. Defection, distrust, shirking, exploitation, isolation, disorder, and stagnation intensify one another in a suffocating miasma of vicious circles. (*Putnam, 1993: 177*)

Putnam suggests that societies may evolve towards the former or the latter of these situations. He adds that societies which are characterized by dense networks of interpersonal communication that are 'horizontal', that is joining agents of equivalent status and power, have the facility for developing the social capital that is the basis for democracy. However, societies that are dominated by 'vertical' networks, 'linking unequal agents in asymmetric relations of hierarchy and dependence' (ibid.: 173), are likely to demonstrate the traits of the uncivic community as noted above.

The relevance of this to the former state socialist countries is evident, for they were dominated by the vertical networks imposed by the one-party state. As several of the chapters in this book demonstrate, this was certainly the case with respect to urban development and urban life generally. For example, social organizations were controlled and manipulated by the regime, and most of the members of these bodies had little influence over their operations and objec-

tives. A great deal of urban social provision, including much housing, was controlled by the managers of the economic enterprises, who were embedded in a vertical system of control and direction, at the head of which were the ministries in Moscow or other state socialist capitals.

As Putnam shows, in this situation there are various forms of resistance to domination, based on particularistic networks constructed, for example, around ethnicity or kinship groups that people feel they can trust. These networks and what they imply are in fact forms of social capital, but not the communitarian variety which Putnam sees as a precondition for effective democracy. In the former state socialist countries the development of the second or black economy, endemic favouritism and corruption neatly parallel the conditions which Putnam and others have found in southern Italy and in other vertically integrated polities and societies. In a passage which explicitly makes the comparison, he writes:

> [w]here norms and networks of civic engagement are lacking, the outlook for collective action appears bleak. The fate of the Mezzogiorno is an object lesson for the Third World today and the former Communist lands of Eurasia tomorrow, moving uncertainly towards self-government . . . For political stability, for government effectiveness, and even for economic progress social capital may be even more important than physical or human capital. Many of the former Communist societies had weak civic traditions before the advent of Communism, and totalitarian rule abused even that limited stock of social capital. Without norms of reciprocity and networks of civic engagement, the Hobbesian outcome of the Mezzogiorno – amoral familism, clientilism, lawlessness, ineffective government, and economic stagnation – seems likelier than successful democratisation and economic development. Palermo may represent the future of Moscow. (*Putnam, 1993: 183*)

Such considerations are of equal significance when we consider the emergent class structure of these societies in transition. Here, the outcomes of the mass privatizations of formerly state-owned assets, including in the context of this book housing and land, are of central importance. The actual terms of the conversion and redistribution of these assets differs greatly from the idealized models of most Western advocates of this process. In many cases it is those who have access to various forms of social capital, networks, connections and information, who are able to benefit at the expense of those whose stock of social capital is limited. Ex-members of the nomenclatura, the managers of (former) state enterprises, and those who were successful in the second or black economies of the former socialist societies (and

frequently there were close links between all three groups) are likely to be among the beneficiaries, while others who lack their opportunities and connections lose out. Stark's (1990) study of the early progress of enterprise privatization in Hungary, subtitled 'From plan to market or from plan to clan?', illustrates just this process, showing for example how the managers of the former state enterprises were able to manipulate the situation to transfer the ownership of these assets to themselves – as he states, 'a process by which political capital is converted into economic capital' (ibid.: 366) – aided by contradictory legislation and conflicts between the various agencies which sought to control privatization.

Stark's conclusion is that privatization will not necessarily lead to the establishment of a Western-style free market economy in these countries. This is because of the ability of powerful social groups and their networks to impede marketization and capture the assets released by privatization for themselves. Hence the suggestion that the transition may be from plan to clan rather than to market. Other studies also show how privatization does not necessarily result in the establishment of Western-style economies. For example, Burawoy and Krotov's (1992) detailed research into a Russian furniture factory led them to conclude that a form of 'mechantile capitalism' was developing, founded on particularistic networks linking enterprises based on barter and not on the market. This involved the conversion of the former state bodies controlling industry into 'parastatal' centres of economic power and a system founded on trade, speculation and extortion, rather than any form of 'rational' modern capitalism.[4] And Sik's (1994) study of the former 'second economy' in Hungary, an economic system based on the same types of economic transaction found by Burawoy and Krotov, shows how it 'lubricated' the first economy under state socialism and how it now shapes the institutional conditions and the behaviour of those entering the new supposedly market economy. The networks, skills and behavioural patterns learnt in the second economy are a form of social capital used to gain position in the new economy and class structure. Detailed empirical work has shown just how significant this social capital can be. Thus Benácek's (1994) work on the structure and origins of Czech private entrepreneurs showed that 'there is a very strong link between the incidence of having been a communist bureaucrat in a top or middle rank managerial position and membership in an emerging class of private capitalist entrepreneurs' (ibid.: 162).

As already noted, this complex and cross-nationally (even regionally and locally)[5] varied redistribution of capital and power lies at the heart of the transformation of the class structure. In this

process, access to capital and to social capital (and the successful conversion of the latter into the former) is central. Cities can be seen as stocks of physical assets whose privatization forms a large part of the capital involved in new class formation. But equally the dense networks of relationships which linked powerful actors in the state socialist cities, whether they were politicians, managers and bureaucrats with positions in the first economy, or families, ethnic groupings and other 'clans' in the second economy, are a form of social capital which can potentially be converted into actual capital. Of course, such capital is not confined to the urban population but, given the central role of the city in the economy and polity of state socialist societies, it may reasonably be asserted that much social capital is concentrated there.

In a recent paper which also draws on the concept of social capital to explore the process of class restructuring, Kolankiewicz (1995: 2) points to the need to 'examine how market, work and to a lesser extent status situation are being constructed through a combination of macro-policy and micro-practice as actors seek to adapt to the emerging market regime with the resources available to them and which they have taken from the redistributive system of state socialism'. Among the key changes highlighted by Kolankiewicz are the reduction of the relationship between the worker and his or her firm to one which is based on labour in exchange for wages, from the situation under state socialism in which, as several chapters in this book demonstrate, the enterprise was also responsible for the provision of many other collective and individual items of welfare – housing, medical services, child care, leisure provision and so on. So, as we shall see, privatization has immediate impacts on many aspects of urbanization and urban services. As Kolankiewicz also notes, this entails a new role for local government in (trying) to provide such services, a shift 'from place of work to place of residence and the local community as the focus of individual's lives' (ibid.: 3), and the simultaneous depoliticization of the workplace and politicization of local government. Echoing other themes noted by the contributors to this book, he adds that with the explosion of consumerism and the provision of leisure, recreation and cultural consumption by the market, new values are placed on activities previously subsidized by the state. Access to these goods will, of course, be on the basis of ability to pay and, as he states, 'style of life based on social separation will gradually overcome the social heterogeneity of socialist urban life and social-spatial segregation will reflect the emerging class order' (ibid.: 3–4).

Therefore, a process is occurring by which some goods and serv-

ices that workers received under state socialism, determined partly through wages but also substantially through access to cheap housing, urban and other services and so on, and under direction of the one-party state according to its priorities, are being dismantled and a new redistributive order is emerging. As Kolankiewicz (ibid.: 5) comments, 'this hierarchy of redistribution did incorporate employees around a structure of rights and privileges and their dismantlement through market forces is . . . a politically and socially contentious process.'[6] Nowhere is this contention more evident, as we shall see, than in the struggle over the privatization of the physical assets of the city – land, housing and other real estate. But more generally the search for a new basis for citizenship in the urban context is evident, in the pressures on local authorities, for example, and in the growth and role of urban social movements. At the regional level the rise of nationalistic and ethnic populism is also linked to the search for forms of citizenship (and for forms of exclusion).

An obvious consequence of the new economic order, of considerable significance in cities, is the growth of mass unemployment and poverty, together with the process of exclusion and segregation, physical and social, that accompanies this development.

Turning from the situation of the losers in the transformation process to that of the winners, Kolankiewicz (1995: 7) focuses on the process of conversion of social capital to economic advantage and, in the longer run, to place in the class structure, pointing out 'that the manner in which political or organizational position can be exchanged for financial or entrepreneurial opportunity within the market order is not a given but is the object of intense conflict . . . between the political authors of legislation as much as those such as managers and directors who stand to gain from one or other policy option adopted'. He cites the example of conflict over property restitution in Poland as one instance of this. As a later chapter in this book shows, such conflicts surround housing and land privatization in every ex-state socialist nation.

To summarize, the transformation now taking place in the former state socialist nations is path-dependent, that is it is shaped by cross-nationally (and sub-nationally) variant historical legacies and current conjunctures. Rather than some simplistic and immediate process of abolition of the economic, political and social structures of state socialism and their replacement by those of an idealized Western capitalism, we see a conflictual and contradictory complex of social actions in which differing groups deploy what resources they have available to secure their position in the new order. In many cases a key asset is the social capital which was

accrued in the previous regime. In addition, privatization provides some with valuable financial, property and other assets, while others lose out.

The urban transition now occurring shares many of these characteristics. But it is not, of course, a separate transition from the more general process of change that we have been discussing. The former socialist cities may, from this perspective, be viewed as a major source of both the economic assets (land, housing and other property) which are now being redistributed and of social capital, via the networks in which their populations are more or less embedded. There are other such connections as well. For example, the changing socio-spatial structure of the cities both expresses and helps to form the new class and status orders in these societies, as does the growth of various forms of urban marginality and poverty. The effects of changes in the role of economic enterprises and of the central state in the transition are reflected in the new roles of sub-national urban and regional governments, and struggles between different contenders for control of assets translate here into conflict between different levels and organs of government. The growth of urban social movements can be seen, in its most positive aspects at least, as a part of the development of horizontally rather than vertically integrated societies. Less positively, the growth of ethnic and other nationalist conflicts over cities and regions is evidence in the political sphere of a move towards 'clan'-based rather than democratic societies. Finally, we return to path-dependency in the urban context. Clearly the transition is *from* socialist cities, but what to is much less certain. With these considerations in mind, we now review and comment on the subsequent chapters.

SOCIALIST URBANIZATION AND THE TRANSITION IN CONTEXT

In chapter 2 Greg Andrusz sets the socialist cities and their successors in a broad historical, economic and socio-political context which, in stressing the cross-national variations in many of these matters, highlights the path-dependent nature of the urban transition. He outlines the main aspects of the state socialist system and its slow disintegration from the 1960s, together with the limited effects of economic reform from the 1970s onwards. Turning to the contemporary scene, the influence of the Western agencies' 'shock therapy' to 'transfuse the spirit of capitalism' into the former socialist economies is described, with the growth of various symptoms of economic pathology

– mass unemployment, rampant inflation, the growth of black economies and organized economic crime.

Turning to the politics of the transition, Andrusz refers to the growth of ethnic and national conflict and territorial disintegration, together with the endemic conflict between various governmental agencies and levels of government over the control of budgets. He remarks on the growth of populist politics, based on the idea of unique communities with their own (more or less invented) histories, and on the way in which there is a more general search for symbols or beliefs around which to mobilize and integrate, now communism no longer performs that role.

As far as the emergent class structure is concerned, there is, on the one hand, the reduction or abolition of many of the benefits that the socialist system distributed to the broad mass of the population and, on the other hand, the creation of a new middle class as a deliberate part of the marketization strategy. This new middle class comes from, for example, the managers of former state enterprises and other members of the nomenclatura, those who have accumulated wealth in the second economy, and genuinely new, small-scale entrepreneurs. Popular attitudes to privatization are influenced by the persistence of earlier commitments to socialist values, and opposition is frequently based on the observation that it benefits the former nomenclatura and economic criminals. Andrusz notes that the struggle to appropriate real estate often plays a key role in class formation, and suggests that a new rentier class is being formed, dependent on landed property. In other cases, property is used as security for capital to be employed in new entrepreneurial activities elsewhere in the economy. Homelessness and rising crime related to property are some of the most dramatic consequences of the struggles over real estate.

Finally, Andrusz notes the change from community based on workplace to community based on residence and to the tendency for firms to rid themselves of their social assets and services. Other changes in the cities include the conversion of the urban landscape of socialism, its squares and monumental places, to commercialism, both of the more organized Western variety and also in forms that are more reminiscent of the bazaar economies of Third World cities (and forms of clan and mafia economic organization, rather than impersonal, capitalist, rational-legal forms). Outside the central places the process of ecological restructuring is well under way, with the creation of middle-class suburbs, on the one hand, and 'sink estates' of state housing, from which the middle class have fled, occupied by a new urban 'underclass', on the other hand.[7]

STATE SOCIALIST CITIES AND REGIONS

Chapters 3 and 4, by Smith and Enyedi, describe and analyse the principal characteristics of state socialist cities and urban policies and state socialist regions and regional policies respectively. Smith outlines the ideal-typical model of the socialist city, a combination, it was supposed, of economic efficiency, social justice in terms of access to urban goods and services, and a high quality of life for the urban populations. The reality was, of course, somewhat different. For example, the socialist city was more completely achieved in new towns than in those which had an inherited urban legacy, large facilities could not be distributed in urban space equitably, and there was differentiation in the quality of housing and in access by various social groups to it. Housing, in particular, was a part of the reward structure for elites and other favoured groups, and there were distinct areas of the city which had higher-status occupants, better housing, less crime and deviance, and so on. However, this socio-economic segregation was far more limited than in comparable capitalist cities, as was the incidence of ethnic segregation. This unequal access to urban goods and services, which Smith describes, is now being altered in the transition, but the benefits that state socialist redistribution provided for some, and the disadvantages it generated for others, may now aid them, or hinder them, in the struggle for advantage in the new system.

Enyedi's chapter has a descriptive purpose, to outline the main contours of regional development under state socialism, but also a theoretical one, to suggest that state socialist urbanization was merely a special variant of a more general 'stages' model of global urban development. This variation was caused by less fundamental factors, products of the late economic and urban modernization of Eastern Europe and the socialist political system. Viewed from this perspective, it seems, the period of socialist urbanization was just a detour, now concluded, away from a universal and broadly similar process of industrially based urbanization. While Enyedi develops his thesis with far greater subtlety and attention to the empirical facts of urbanization and regional development than many Western 'oilers' of the transition, his suggestion that there are common rules which determine modern urbanization and that the transition involves a return to such rules is not too distant from the analysis adopted by those who, for example, now seek to persuade East European governments that the institution of Western-style urban market processes and policies is essential. Many other contributors to this volume take a

different view, but Szelenyi takes up the issue most directly in his concluding chapter, insisting upon the distinctive nature of state socialist cities and urbanization.

Many of these differences of analysis – though not all – are based on the interpretation of empirical evidence. Thus Enyedi notes the role of the second economy and of other mechanisms for defending group interests and promoting urban social processes (such as segregation) in opposition to official policies. But he sees this as evidence of Western-style market processes at work, albeit of a rather spontaneous nature, while others regard it as a very different form of capitalist or proto-capitalist activity. Enyedi, like others, also notes the significance of the pre-socialist urban and regional history of Eastern Europe to its later development, but his main conclusion is that this has resulted in delays in entering successive stages of the generalized process of urbanization.

Enyedi documents many of the principal facets of socialist urbanization that we have already remarked upon and which other chapters also describe. One key observation is that state socialist policies were biased in favour of the cities.[8] As he notes, the new socialist power in the region was urban based, and aimed to control the cities and to govern the country from them (one consequence was a lack of investment elsewhere, and a lack of policies for rural settlements until the 1970s). The various rigidities, contradictions and failures of socialist urbanization are described, as is the role that the lack of urban development that was not tied to an increasingly obsolescent form of industrialization played in accelerating economic stagnation from the 1960s. Urban and regional planning – like other state socialist policies – was the preserve of politicians, bureaucrats and experts, involving dialogues from which the general public were excluded. The key contradiction was between policies which aimed at equality of outcome and those which, their authors presumed, engendered efficiency (which meant agglomeration and large-scale projects with unequal accessibility by urban and rural populations). This conflict was most often resolved in favour of the latter priority, and thus in favour of the larger cities and their populations.

Other key features of socialist urbanization mentioned by Enyedi and many other analysts include the phenomenon of 'under-urbanization' – the failure of investment in urban housing and services to keep pace with the creation of urban jobs, thus resulting in large sections of the blue-collar working class living in rural settlements and commuting to work – as well as the role of the enterprise in providing housing and services, the lack of horizontal networks (for example, economic networks at the local or regional levels), and

the dominance of workplace-based rather than residential communities in the cities.

CITIES IN THE TRANSITION: HOUSING AND LAND PRIVATIZATION

Chapters 5 and 6 focus on privatization. First, Marcuse provides a detailed analysis of housing and land privatization. He takes issue with the view, frequently held by proponents of the free market solution for the former state socialist societies, that privatization involves a simple transfer of the rights of ownership from the state to private individuals and enterprises. Ownership, he notes, is not a simple concept, as such perspectives assume; rather it refers to a bundle of rights which were divided between the state and individuals under state socialism as they are under capitalism. The privatization process, therefore, involves frequently conflictual repartitioning of these rights.

In order to establish his thesis, Marcuse first examines the nature of property rights under state socialism. Despite the image of state monopoly ownership, much land and housing remained in private hands in these societies, although the right to profit from such ownership was generally abolished and other matters, notably rents, were strictly controlled (and set at very low levels). This account also illustrates just how varied were the specific circumstances of individual countries, and how they changed over time. In rental housing, tenants enjoyed many of the rights which in the West accompany ownership – lifetime security of tenure and rights to pass this on to family members, for example. These and other property rights were guaranteed by the state, as such rights are in the West. Another significant feature of land and property under state socialism was the limited role played by the law in protecting rights and setting a planning framework. In the Soviet system these functions were performed by the state, through its centralized planning and administrative systems. This lack of a legal, regulatory and planning framework is now having to be made good in the post-socialist situation.

As we have noted, the process of transition involves a complex struggle between contending groups for economic advantage, political power and social position. The privatization of former state assets is a key part of all this. Marcuse's chapter provides an in-depth study of the nature of the contending interests with respect to land and property privatization and the consequences of their struggle. Generally, there are distinctive attitudes and interests involved in privatiza-

tion, but in the case of housing and land there are some particular conflicts. Examples are those between the current occupants of property and their former owners, who frequently have rights of restitution; and between state and enterprise housing tenants, who wish to maintain their strong security of tenure and low rents, and the local authorities and other landlords, who wish to raise rents and reduce security. In the few years since the first laws enacting housing and land privatization were passed, there has been a movement away from blanket changes in rights affecting large and varied categories of property and circumstance, to more and more differentiated sets of rules, reflecting the impact of the contending interest groups on the policy-makers and legislators. Frequently, given especially the conflicts between levels of government over competencies in these matters, and the struggle for the control of local budgets, there has been endemic conflict and contradiction between the laws, policies and actions of public bodies.

The path-dependent nature of housing and land privatization is illustrated by Marcuse's discussion of developments in Russia and other countries. Broadly speaking, the most radical and complete conversion to private real-estate ownership has, of course, occurred in East Germany, where the West German system of property law and rights was simply imposed (although not without some peculiar difficulties due especially to the significance of restitution). Other countries, which, as we have noted, lacked such a ready-made system of legal regulation of private property rights, and where there was no dominant force to impose a solution on the struggle between contending interests, have felt their way towards the establishment of private property rights in complex, varied and often contradictory ways.

Despite these variations, Marcuse is able to draw some general conclusions about the obstacles to privatization and the conflicts that have arisen. The first is that private property rights continued to exist under state socialism, and are not simply something that is being (re)introduced now. One obvious implication is that those who had such rights under state socialism will seek to defend them and to gain advantage from them in the transition process, both in the conflicts over privatization and more generally. Quite what the previous distribution of rights was and how it enters into the transition process varies cross-nationally. Second, the initial destatification consisted of measures to sell state property, to decentralize decision making, and to provide for the management of property for the time being remaining under state control. In the case of housing, this decentralization was mainly to the local authorities, and it has resulted in

endemic conflicts between central and local governments over matters such as the control of foreign private ownership, tenant security and so on. A key motivation for decentralization was the desire to remove the housing burden from central government budgets, although local authorities have resisted acceptance of financial burdens which they cannot meet.

A third complication lies in the problems caused by restitution, which involve, for example, the claims of long-term residents against absentee owners, and the conflict which arises when land on which there are restitution claims could be disposed of by the financially starved local authorities to large-scale commercial developers.

As we have mentioned, around these conflicts of interest there is growing an ever more complex web of legislation and policy, including the development of detailed property laws and procedures which were largely absent in the socialist state, with its central planning and politico-administrative direction. The lack of a stable legal framework, together with the lack of a system of planning regulation, means that there are many opportunities for interest groups to manipulate the situation, to gain advantages for themselves, and to benefit from the conversion of the advantages that they possessed under socialism into private property ownership in the new regime. At the same time, there are various sources of resistance to the spread of private ownership rights that are inherited from state socialism. These sources include tenants who wish to defend their strong rights to lifetime security and the ability to pass on tenancies to members of their family, as well as judges and administrators, who still adhere to the values inherent in socialist urbanization, and so on. Some of these attitudes derive from the pre-socialist periods, for example a desire to prevent the build-up of large-scale land holdings and to ban foreign land ownership. Such attitudes hinder the entry of large-scale capital into urban development and constitute a further source of political and legislative conflict. They also result, as Marcuse notes, in there frequently being a gap between what the law provides for and what actually occurs.

Marcuse concludes that systems of property rights are reflections of social relations between individuals and groups, but that much of the discussion in both the East and the West assumes that legal changes in property rights are not just a necessary but a sufficient condition for an actual change in these rights. This is not so, and such assertions obscure the fact that an intense struggle is taking place over property rights redistribution, which, as we have seen, is of direct relevance to wider processes of economic, political and class restructuring.

Marcuse, therefore, presents a radical critique of 'conventional wisdom' about the privatization of land and housing in the transition. By contrast, Struyk's chapter, focused more narrowly on housing privatization, contains an analysis which is much closer to that advocated by agencies such as the World Bank regarding the primacy of the rapid establishment of a real-estate market. However, Struyk also highlights some of the negative consequences of such policies. The symbolic importance of housing privatization as signifying the end of social ownership is noted, as is its value in terms of the reduction of budgetary burdens, the greater responsibility for management and maintenance that it was hoped would be transferred to residents, and its political popularity (at least in the initial stages). But the central reason for the advocacy of housing privatization by economic reformers has been the desire establish, as rapidly as possible, a market system with respect to housing and other real estate, as elsewhere in the economy. Only privatization could achieve this, given the time it would take to create a private market *de novo*.

From the economic reformers' perspective there would be various benefits flowing from the marketization of real estate. Mobility would be enhanced and the establishment of price signals would indicate to private developers where the optimum locations for their projects were. In short, capitalist urban development was predicated on privatization. At the same time, Struyk is aware of the obstacles to privatization and its inequitable consequences. As he notes, housing privatization involves a profound shift in housing consumers' attitudes, from those associated with property rights under socialism – linked to considerations of security of tenure and the ability to pass tenancies on to family members – to those associated with capitalism, in which housing is seen as a commodity with value in the market and a source of income and wealth. He also touches on the resistance of local officials to giving up sources of power and privilege in the transition, and on the adverse effect of housing privatization on low-income households and new entrants to the housing market.

Reviewing the progress of housing privatization in nine states in Eastern Europe and the FSU, Struyk, like Marcuse, shows just how varied the distribution of housing ownership was under state socialism. He also examines the changing relations between central and local government and the conflicts that have arisen over decentralization, which, as in the West, is being promoted as a way of improving consumer choice and as being more sensitive to local variations, but in practice is primarily motivated by budgetary concerns. In addition, Struyk's detailed evidence underlines some of the significant factors which have impeded the progress of privatization; for example, the

strong rights which existing tenants of state housing have, their low rents and their exemption from property taxes. By contrast, owners, even if they pay little or nothing for the units, face major cost increases for management, maintenance and repairs, and tax payments. Various policies have been evolved which aim to remove such obstacles. But there are other problems as well, among them the difficulties created for the management of blocks of apartments in mixed state–private ownership, and the fact that uncertainties over the ultimate division between those units which are privatized and those which remain state property are inhibiting private-sector investment.

Such obstacles lead Struyk to suggest that in some countries up to half the units may never be privatized. Moreover, as studies of council-housing privatization in the UK have demonstrated (Forrest and Murie, 1988), privatization is selective: it is the better units, in the more desirable areas, inhabited by the more prosperous tenants that tend to be privatized. Here, paralleling other developments in the post-socialist society, it is noticeable that those who had privilege in the former society have tended to gain the most from housing privatization, and this adds to resentment among the rest of the population. As Struyk admits, privatization is not a socially just or equitable process. Some gain and others lose out, and many of the former are in this position by virtue of their ability to convert advantages gained in the old system to ones enjoyed in the new system. Such inequities, Struyk suggests, can only be justified by the imperative to remove all vestiges of the state socialist system of property rights and rapidly establish a Western-style market. He does believe, however, that steps will need to be taken to subsidize and support a social housing sector and, more generally, to provide access to affordable housing for those on low incomes and other disadvantaged groups. In this sense, it could be suggested, Struyk is arguing for the Western European version of the private housing market, rather than the US model which has been espoused by many economic reformers and international agencies.

THE EMERGENT CAPITALIST CITY: A GERMAN CASE STUDY

Nowhere was the contrast between state socialist and capitalist urbanization more clearly and starkly to be seen than in Berlin, the subject (with other former GDR cities) of chapter 7 by Hartmut Häussermann. Of course the fact that Berlin was a city divided be-

tween the two systems was the basic reason for this. However, the wartime destruction of both parts of the city and the doctrinal orthodoxy of the East German Communist Party, plus the symbolic role that the city played with respect to contending economies and ideologies, added to the sharpness of this contrast. Since the fall of communism, Berlin has continued to be a key city for urban research due to the assimilation of East Germany into a mature, capitalist Western democracy. If Berlin was a particularly notable example of the ideal-typical state socialist city, it is now rapidly converting into what many would see as an ideal-typical version of an advanced capitalist city. This means that a closer look at Berlin in the transition may be a particularly illuminating exercise.

Häussermann outlines many of the features of socialist urbanization noted by other contributors to this book, but he has a particular focus on urban design and planning. He refers to the monumental, symbolic aspects of state socialist central places, and the way in which these physical forms reflected and sustained the city-based rule of the Communist Party and the state that Enyedi also noted. He explains that the lack of a land market gave planners and architects licence to use space in ways that are normally impossible in capitalist cities. More generally, urban policies were set by politicians and planners, the majority of the population having no significant say in the process. As in other Eastern European capitals, what remained of the historic sections of the city were ignored and allowed to deteriorate. They were viewed as capitalist relics; moreover, much of the building remained privately owned, so state socialism had no interest in sustaining them. Above all, the drive for supposed economies of scale meant that large-scale projects on greenfield or razed sites were seen as the way to develop the cities of socialism – not perhaps so different from the way in which many professionals and politicians wanted to develop the cities of capitalism in the 1950s and 1960s, although they had to contend with more opposition – but, interestingly, by the latter years of the state socialist regime in Berlin there was rising resistance to such drastic urban renewal by the populations resident in the older areas of the city.

With regard to socio-spatial segregation, Häussermann confirms the picture set out by Smith. There were enclaves of housing for the privileged, who also enjoyed privileged access to other urban services. There was also a small sector of housing for those at the bottom of the social system, including dissidents, concentrated in the decaying historical districts. But most people lived in relatively unsegregated conditions in the new state housing areas. Häussermann too notes the key role played by enterprises rather than by community-based organisations and local government in urban development

and service provision. As he states, in the GDR the company became the focal point for organizing 'the socialist way of life', a functional equivalent to the family or the feudal lord in other types of society. Echoing some of the points made earlier in this introductory chapter, he refers to the integration of decision making into a vertical structure guided by the central planning commissions and the lack of locally controlled resources, local decision-making power and an urban bourgeoisie – which class had historically been the mainstay of local government in Germany, as elsewhere.

With the collapse of the communist regime the system of vertically integrated urbanization was destroyed. However, actual urban change takes longer to occur and is unevenly developed. It is occurring first in the most economically dynamic, that is potentially profitable, regions, cities and city districts in East Germany (notably Berlin), and can be measured by the growth in property and land prices and the levels of speculative activity. In this process some cities become driven by speculation, while other stagnate. Overall, however, real-estate capitalism leads the marketization process in the East German territories, while the privatization of industrial assets has resulted in much less new investment and massive unemployment. Popular resentment at these changes and the persistence of some of the core socialist values, such as regard for social justice, for security of tenure and so on, place significant political and other obstacles in the way of marketization.

Häussermann provides a particularly clear insight into some of the consequences of the system shift for planning and local administration. As we have noted, under state socialism the planners and administrators were dominant forces in urban development. Now such development involves a much wider range of social actors, notably the private-sector owners and developers. Those East Germans who have survived in or have been elected to local government find themselves having to deal with a far more complex situation, with more conflicting interests than hitherto. As in the West, urban planning has become a form of urban management of private-sector-led development, and many East Germans have been ill equipped to cope with this change. In many cases they have been outflanked by newcomers who have seized opportunities to fulfil their own political or economic agendas – for example, the West German political nominees who were drafted into East German urban government, and a plethora of investors and speculators from the West. The destruction of the middle class in the years of state socialism left, according to Häussermann, a serious lack of the key stratum from which local politicians and administrators could be drawn.

Physically, the effects of these changes are already apparent. For

example, in city centres the institution of a private market in land and rising land prices leads to a new pattern of land usage. Many public institutions and ex-state socialist retail establishments are forced to move out, unable to pay rising rents, while Western-style office, leisure and other commercial developments take their place. On the periphery, the lack of any effective framework for regulative planning has led to speculative exploitation of greenfield sites for shopping malls, car dealerships and so on. The rapid growth of car ownership in the former GDR has enhanced the economic viability of such developments. This also has relevance for the growth of suburban housing developments for the better off.

Meanwhile, unsold social housing has been transferred to municipalities and co-operatives, with the lifting of rent restrictions and security rights after a short transitional period. This will create an acute crisis in the sector, as many tenants will not be able to pay higher rents. As in Britain, such changes simply encourage all those who can afford to do so to move out, creating a residualizing, deteriorating social-housing sector which its landlords cannot afford to maintain or improve properly. Overall, therefore, there is a significant growth of socio-spatial segregation occurring, especially in the more economically dynamic cities such as Berlin. And while relatively little has yet changed in the older, pre-socialist, inner-city residential areas (there are easier profits to be made in the central business distinct and at the periphery), in many cases they are ultimately likely to experience a gentrification and displacement of low-income populations similar to those which have occurred elsewhere.

Such changes in patterns of urban land use are clearly reminiscent of those in many US cities rather than in the cities of Western Europe. Indeed, Häussermann suggests that one of the consequences of reunification may be the growth of this distinctive style of urban development over the whole German territory, with the squeezing out of the small-scale property owners and developers that have played a key role historically in the cities of West Germany.

THE NEW POLITICS: URBAN SOCIAL MOVEMENTS AND NATIONALISM

As we have seen, most contributors to this book are explicitly or implicitly critical of the proposition that the shift from socialist to post-socialist cities involves the collapse of one system and the rapid installation of a new one, which contains no legacy from the past, to fill the vacuum thus created. Chris Pickvance's chapter (chapter 8),

which examines the nature and role of urban social movements before and during the transition, is no exception. Referring to Stark's work on path-dependency, he argues that urban activism began to grow in the last years of the socialist regimes and that these have provided certain resources (forms of social capital in fact) which are deployed in the new situation. He also refers to a problem which is evident in several other chapters, namely the difficulty of interpreting similar empirical evidence of change (see, for example, the comments made above on Enyedi's chapter, or the contrasting interpretations of housing privatization and the emergent types of private real-estate market foreseen by Marcuse and Struyk respectively).

Pickvance first reviews the development of urban social movements under state socialism. Here there was a growing gap between ideology and the official system on the one hand, and actual practice on the other. Given the nature of the organization of urban life through a vertically integrated system, which excluded most citizens from any role in decision making, there was no 'space' envisaged for autonomous social movements to develop. However, control could never be that total and, as economic and political liberalization occurred in the face of the growing regime crisis, a range of community-based associations and pressure groups with limited autonomy did begin to emerge. The scope for such developments varied cross-nationally, depending on the detailed nature of the regime and the specific conjuncture, as well as the nature of the issues at stake. Pickvance's case studies of social movement formation in Budapest and Moscow, and in relation to housing and environmental issues, provide much evidence for these conclusions.

The second half of Pickvance's analysis describes developments since the collapse of communism in 1989/90. Overall, there has, unsurprisingly, been a major growth in various forms of grass-roots urban movements. In some cases in Moscow, these organizations grew out of self-management groups established in the last moments of communism, as devices to maintain control of the urban population. Some then developed independence and, when communist funding was cut off, obtained resources in other ways, such as the appropriation of property which was then rented out or sold. To a significant extent, the leadership of these organizations was composed of individuals with strong backgrounds of participation in communist organizations, who converted this social capital into political or economic advantage in the emergent urban system, using their leadership of grass-roots bodies as a stepping stone. Another example of 'asset conversion' via urban social movements is provided

by the operations of housing partnerships in Moscow, that is, groups of residents that wanted to take advantage of the privatization laws by taking over not just their blocks of flats but also the valuable commercial space in these buildings. This brought such groups into conflict with city authorities, which wished to exploit commercial property to relieve their own budgets. Pickvance notes that housing partnerships were mainly formed by the highly educated inhabitants of potentially valuable blocks; another example of the attempt by those privileged under state socialism to carry their advantages over into the new, marketized city.

More generally, Pickvance highlights the significance of the endemic conflict between elected councillors and officials, and between differing levels of government, over who was to control and profit from the ownership of urban assets. Sometimes the grass-roots organizations have been able to exploit these conflicts to gain control of assets and achieve other objectives; sometimes they have lost out. He also examines, especially in relation to the fate of several Budapest movements, the tendency of such organizations to be co-opted by government or to have their demands deflected, outcomes that are frequently found to occur in Western cities as well.

Pickvance concludes that urban social movements before and during the transition have conformed with a four-stage model of development, very similar to that found in studies of other urban systems in transition out of authoritarian rule. While the authoritarian system prevails, there is little space for any autonomous movements to develop; as the regime's grip begins to slacken, such movements mushroom; only to decline in intensity, numbers and significance, as a 'normal' political system is established, to a continuing level of more moderate activity. However, he stresses the significance of persisting national variations in this passage. This is partly the product of the specific contemporary circumstances in each case, but may also be a consequence of much longer-term, persisting differences in the relationship between government and the citizenry, dating from even before the socialist period.

In conclusion, Pickvance suggests that the concept of the 'post-socialist' city does not refer to a homogeneous reality. His comparisons of Moscow and Budapest demonstrate that there were great variations between them, due to the different variants of state socialism which they had experienced and because the transition processes also varied.

As Andrusz notes in chapter 2, one of the most important consequences of the break-up of the Soviet system has been the growth of territorial conflict based on nationality and ethnicity. The wars in the

territories of the former Yugoslavia, the destruction of the population of major and historic cities such as Sarajevo and Dubrovnik, and of many smaller settlements, are merely the largest-scale examples of such conflicts. Indeed, as Andrusz records, on the day the Soviet Union finally expired, 26 December 1991, there where no fewer than 164 recognized ethnic conflicts in progress in its territory. Klaus von Beyme's chapter (chapter 9) reviews the nature and development of these conflicts in the former state socialist nations.

He points out that many of the current divisions between nationalities and ethnic groups predated communism and were only suppressed, not eradicated, during the lifetime of state socialism. Such divisions, however, did not play a key role in bringing about the break-up of the system; this was mainly a product of its economic crisis. Instead, he suggests that they have subsequently provided an ideological basis for integration and mobilization, filling the vacuum left by the demise of communism, and that appeals by the intelligentsia for the construction of a 'civil society' were ineffective. Here he is describing another aspect of the dissolution of a vertically integrated society, in this case with respect to the political system, and the development of a new basis for societal organization. There are some interesting parallels with the economic transition, remembering Stark's characterization of the shift from plan to clan rather than to market. What von Beyme describes might be seen as a shift from autocracy to clan rather than to democracy, and to citizenship (and exclusion) based on concepts of nationality or ethnicity. There are also parallels between this situation and that found by Putnam in the Mezzogiorno, where instead of the development of a 'civic community' and functioning democratic institutions, there has persisted a politics based on mutual suspicion and lawlessness. The similarities between the Mezzogiorno's 'amoral familism' and mafia organization and what might be described as the amoral nationalism of the contemporary Balkans (and elsewhere in the former state socialist nations) are striking, at least with respect to their consequences for the development of civil society, citizenship and a democratic politics.

In fact, von Beyme himself makes a link between the growth of marketization and that of nationalism, referring to the relentless competition for housing, jobs and life-chances in the new society and to the resort to nationalism and ethnic mobilization in this situation. He suggests that conflict between ethnic and national groupings is particularly likely to occur in the cities and economically dynamic regions, in part because such areas attract economic migrants. Once again, however, the pattern varies cross-nationally, and according to

the previous geo-political history of the territories in question. The borders of many of these nations have been frequently altered in this century, cutting across ethnic and other national groupings and giving rise to many long-suppressed demands for their readjustment. The political resort to a politics of nationalism and ethnicity, as a means of mobilizing political support, has brought such demands to the surface again. In many cases, this seems likely to play a major role in shaping the emergent post-socialist cities and regions.

CITIES AFTER SOCIALISM

In the final chapter of this book, Ivan Szelenyi draws on the detailed evidence regarding the nature of socialist cities and the urban transition, much of which has been included in the earlier chapters, to come to some general conclusions about the nature of socialist urbanization and how its key characteristics are being transformed.

In sharp contrast to Enyedi, and to Western analysts who have tended to see socialist urbanization as merely a variant of a more general model of global urban development, Szelenyi insists on the qualitatively different nature of socialist and capitalist cities. Moreover, he argues, there can be no certainty that the 'post-socialist' city is evolving towards the forms of capitalist city current in the core nations of the world system. Instead, some at least may be evolving forms of peripheral urbanization typical of the cities of the capitalist Third World, or some other variant or hybrid form.

The first part of his chapter marshals a variety of evidence to show that there were three distinctive features of socialist cities, in comparison with their capitalist counterparts. First, they achieved industrialization with less urban population growth and less spatial concentration for the population than in capitalist cities at similar stages of growth. In short, as he argued first many years ago (Szelenyi, 1983), they were 'under-urbanized'. Second, there was less urbanism, that is less diversity; less economizing with space, thus lower inner-city densities, and less urban marginality. Finally, these cities had a distinctive ecological structure. Earlier chapters in this book provide considerable evidence to support Szelenyi's contention that these were significant differences and that they were directly linked to key features of state socialism.

These chapters also provide a strong basis for the validity of Szelenyi's argument that all three aspects of socialist urbanization are now in dissolution. He refers, for example, to the growth of mass rural unemployment that is likely in time to result in mass urban

migration and, although he does not put it in these terms, a possible transition from under-urbanization to the 'over-urbanization' characteristic of many Third World cities. The rapid growth of urban diversity and marginality is already evident, with the marketization of many formerly state-provided goods and services and the breakdown of forms of social control, the creation of bazaar and criminal economies (although these existed to a lesser extent before the collapse of communism), and various forms of deviancy, homelessness and so on. The changes in the physical form and functions of the inner cities noted by Häussermann and by Andrusz are all a part of the growing diversity as well. Finally, there are the changes in the ecological structure of the cities, also noted by Häussermann and others, with the development of suburbs and shopping malls, on the one hand, and residualizing areas of social housing, occupied by the economically marginal and other excluded groups, on the other hand.

Szelenyi sets out the background to this transition, the dismantling of state monopoly ownership and mass privatization, the end of one-party rule and the change from a socialist rank order to an emergent class-based stratification. He emphasizes, as we have in this introductory chapter, the path-dependent nature of the transition and of the transformation of property rights that lies at its heart. The current formations are unstable and it is far from certain that these societies, and their urban systems, are evolving towards the Western capitalist model. As he states, it is not clear where the former state socialist societies will be inserted in the world capitalist system, how close they will get to the core or how near to the periphery. In any event, no single destination is likely for the many and varied post-socialist cities and societies. To misquote Putnam, if Palermo may represent the future of Moscow, London or Paris may represent the future of Prague.

NOTES

1 Obviously, this is an account of the class structure which omits details of the rural class structure: agricultural workers were officially a part of the 'middle mass' but their status and life-chances differed from those of urban workers.

2 The concept of 'path-dependency' was developed by economic historians, studying the development of technology. But it has been taken up more widely by sociologists and political scientists who study institutional and organizational change (Powell, 1991: 193–4; North, 1990: 93–4).

3 The origins of this concept, according to Coleman (1990: 300–21), lie in work by Loury on the development of human capital and refer to 'the

set of resources that inhere in family relations and in community social organization and that are useful for the cognitive and social development of a child or young person' (ibid.: 300). However, Bourdieu has developed a more general conception of social capital, alongside his typology of others forms of capital, notably cultural. He defines social capital as 'the sum of the resources, actual or virtual, that accrue to an individual or group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition' (Bourdieu and Wacquant, 1992: 119).

4 Burawoy and Krotov argue that the systemic features of an economy can be studied and conclusions arrived at on the basis of their single (excellent) case study. However, if we are to take the concept of path-dependency seriously, it seems more likely that 'merchantile capitalism' is but one variant of the several capitalisms that may emerge in Eastern Europe and the FSU.

5 Stark (1990: 392) suggests an interesting research agenda on locally based economic networks: '[r]esearch on small-scale producers would shift attention from *individuals'* aspirations for entrepreneurship to the features of *localities* that inhibit or encourage marketization. In such an ecological model, entrepreneurship is less a function of individual motivation than of social relations in a particular field. How, for example, do localities differ in linkages among small-scale producers along lines of credit, marketing, supply etc.? Will competition among political parties at the local level and the fact that local governments will face constraints in self-financing yield new patterns with some diversity across regions?' Of course, there has already been exploration of these local economic linkages in Western societies, famously in the 'Third Italy' (see, for example, Bagnasco, 1977).

6 It should be noted that the 'rights and privileges' accorded to workers under state socialism hardly amounted, as some have suggested, to a form of 'welfare state'. Ironically, it was in the state socialist countries that the welfare state as a tool for the reproduction of labour power and for legitimation – which is the classic Marxist explanation of the capitalist welfare state – appears to have been most clearly achieved. But as many studies have shown, access to *high-quality* housing, health care, education and so on was wholly or partially monopolized by the political and economic elites. Such a view is not inconsistent with Kolankiewicz's claim that the *loss* of access to, for example, cheap if frequently poor-quality housing and the uncertainties about the redistribution now occurring under 'post-socialism' are contentious.

7 The term 'underclass' is used in very different ways in different societies, and by different sociologists. In so far as it refers to a group which is cut off in significant respects from 'mainstream' society, this may apply to some of the 'new poor' in the former state socialist countries, such as gypsies, but not to the majority of this broad grouping.

8 In commenting on a draft of this chapter, Ivan Szelenyi noted that 'socialism was anti-infrastructure and this caused damage both to cities

and to the countryside, though, ironically, the countryside could cope with the problem somewhat more efficiently'. Nevertheless, the focus on cities in much state socialist land-use planning and resource allocation was clear.