

Vanhuyse, Pieter. Divide and Pacify: Strategic Social Policy and Political Protests in Post-Communist Democracies. Central European University Press, Budapest and New York, 2006. xiii + 170 pp. Notes. Index. £21.95; €32.95; \$41.95

PIETER VANHUYSSSE'S thought-provoking study takes as its starting point the question first posed by Béla Greskovits in his seminal work The Political Economy of Protest and Patience (CEU Press, 1998): why did widespread early predictions that post-communist democracies would be convulsed by Latin American-style waves of social protest prove so wrong? Greskovits concluded that the answer lay with communism's demobilisation of Eastern European societies; a lack of credible populist ideologies in the region; and a more elderly demographic profile.

However, Vanhuyse suggests, the remarkable social quiescence of post-communist 'losers' cannot credibly be attributed either to such structural factors or competing notions of ideologically-induced compliance. The huge social costs of transition were concentrated among older workers in industrial regions and rural communities with well established and cohesive social networks, creating a viable basis for disruptive anti-reform mobilisation. Moreover, extensive communist-era trade union organisation represented a powerful potential vehicle for social resistance. Instead, he argues, the answer is to be found CEE governments' strategic use of social and economic policies after 1989 to pre-empt disruptive protest

Although initially generous unemployment benefit seems to have been common across the region, the overall mix of strategic social policies varied significantly between states. Poland and Hungary combined high early levels of unemployment with 'great abnormal pensioner booms', which were driven by attractive packages for early retirement or transfer to disability status. In the Czech Republic, by contrast, mass unemployment was staved off with active labour policies and delays in enterprise restructuring linked to incomplete bankruptcy legislation and the effects of voucher privatization. The common element was, however, that cohesive 'loser' groups were neutralised by being dividing into three subgroups with lower mobilisation capacities and divergent interests: the unemployed, still employed and prematurely retired. Policies which at first sight appeared fiscally and economically irrational or naive thus had an important political rationale in securing political breathing space for reform policies. Indeed, arguably, the book suggests, they made a key contribution to the subsequent self-sustaining success of reform.

However, Vanhuysee argues, strategic social policies of the early-mid 1990s also had longer term effects. Some aspects, such as relatively high levels of unemployment benefits, proved easy to roll back politically. However, 'abnormal pensioner booms' in Hungary and Poland quickly put intolerable strain on previously well balanced state pension systems while simultaneously creating a powerful pensioner lobby. This soon

prompted pension reforms in the two states, which placed the greatest burden on current and future workers while allowing retirees to maintain a disproportionate share of social spending. Strategic social policies thus unintentionally brought about rapid convergence with mature welfare states in Western Europe, transforming pensioners from one of the poorest, most excluded groups under late communism to one of the more politically powerful after 1989. A further legacy of the pre-empting of social protest through strategic social policy, Vanhuyse suggests, is the populist, anti-incumbent sentiment vented by many CEE voters at election time. The anger and grievance felt by ‘transition losers’, he argues, were not assuaged, merely diverted.

Divide and Pacify’s re-analysis of secondary literature is comprehensive and insightful and its formal modelling of actor incentives rigorous. However, area specialists will be struck by the absence of direct primary research. The existence of ‘strategic social policy’ is essentially deduced by eliminating other explanations, rather than from direct analysis of politicians’ and policymakers’ discussions and strategies. Closer examination of the historical record may suggest that such policies often emerged in more piecemeal, unconscious or unintended ways than Vanhuyse allows.

A further question is that of comparative scope. The book takes up the Eastern Europe/Latin America parallel tackled by Greskovits in his debunking of the alarmist ‘democracy breakdown’ literature of the early 1990s. However, it deals essentially with three national cases, Hungary, Poland and the Czech Republic, mainly contrasting the former two with the latter. It is thus a little unclear whether we should view the successful deployment of strategic social policy by CEE reformers as contrasting with the experience of post-communist reform laggards (as suggested in the conclusion), or whether we should take these cases as broadly representative of patterns in the post-communist world (as earlier chapters tend to imply).

Such questions are, however, very much a measure of Divide and Pacify’s real achievement. In somewhat over a hundred pages it develops a coherent, wide-ranging and persuasive re-interpretation of the politics of post-communist transformation, which smartly integrates work on comparative democratization, social movements, the sociology of unemployment, and the political economy of pension reform. As such, it offers both considerable food for thought and a powerful springboard for future research.

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