

**Unionists Against Unions:
Towards Hierarchical Management in Postcommunist Poland**

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Abstract

Contrary to standard assumptions about union opposition to economic reform, our survey of firm-level decision makers in ninety-five manufacturing enterprises shows that Polish trade union leaders have strong pro-market leanings, and are profoundly skeptical of the utility of institutionalized employee influence in a market economy. This skepticism towards unions is shared by rank-and-file workers, as reported in other surveys. Industrial relations institutions in Poland are becoming less participatory and increasingly hierarchical according to a number of indicators, and this is due not just to coercion from above but acquiescence from below. At the same time, unionists in practice maintain a strong presence in non-private firms. This lingering employee influence stems, paradoxically, from a belief in property rights: unionists believe that private owners should be able to manage their assets as they choose, for this will allegedly benefit workers; but where private owners are lacking, unionists feel employees must act as temporary watchdogs. Long-term prospects for unions thus appear weak, and the weakness of institutions articulating labor interests can lead toward the delegitimation of democratic institutions in general. Finally, rational choice and historical institutionalist approaches are seen as unable to explain our findings. An ideational explanation appears to be the most plausible.

Unionists Against Unions:

Towards Hierarchical Management in Post-Communist Poland

by David Ost and Marc Weinstein

Anyone expecting or hoping that labor would do well in the post-communist world would have put their bets on Poland. The long, successful struggle waged by Solidarity seemed to mean that here workers would have the institutions, the resources, and the determination to defend themselves in the new era. Even before the fall of the Berlin Wall, not only was Solidarity relegalized and recruiting members anew, but its political arm had swept the parliamentary elections. A year later, Solidarity's legendary leader, Lech Walesa, was elected president. Early fears of foreign investors that Poland would be overly friendly to labor seemed quite justified. If a worker-friendly capitalism could be possible at all, Poland appeared to be the country that would carry it through.

As we know, however, things turned out differently. The first Solidarity government introduced a program of economic shock therapy that led to deep recession, plummeting wages, and double-digit unemployment. Solidarity-affiliated deputies passed a privatization law that ensured the elimination of employee councils. The new press emerging from the former Solidarity underground promulgated new cultural stereotypes that valorized the middle class and defined workers as obsolescent symbols of an old age. In macroeconomic indicators and cultural symbols alike, labor has taken a beating.

These macroeconomic and macrosocial facts about labor can be gleaned from reading the press. But what has happened at the micro-level of the enterprise? How has labor's power at the point of production been transformed in and by the post-communist era? How have firms been transformed, and how have workers and trade unionists reacted to this transformation?

For the past several years, Poland has been going through a massive overhaul of its entire enterprise structure, in the context of a strong legacy of worker militancy. Poland is not just moving to a "market economy." It is moving to a particular kind of market economy, with specific institutions that affect economics and politics in unique ways. The overthrow of communism put many things up for grabs, but nothing more so than the internal organization of the firm. This is because in communist society the firm was not just an economic unit but a social institution crucial to the functioning of the entire system. It was the site of the Communist Party. Its trade unions administered leisure activities and helped distribute scarce goods including foodstuffs, housing, and medical care. In short, the firm played a central role in systemic legitimation. With Party control gone, and with privatization fundamentally changing the role of management, the internal structure of the

firm cannot help but be radically reorganized, whether or not it is privatized.

Poland's firms are thus in the process of choosing the institutions that will shape the economy and structure social relations for a long time to come. Once they emerge, institutions tend to remain relatively static until a systemic shock forces their reconfiguration. The toppling of communism administered the shock to the old set of institutions. The new ones are being shaped before our eyes.

Our focus in this paper is on the emergence of formal and informal firm-level institutions in Poland, and on their reception among the workforce. How are new workplace institutions being shaped? In what direction? How is the firm being transformed in the post-communist era? How are industrial relations being transformed?

Workplace institutions play a crucial role in shaping political and socioeconomic futures. Yet it is precisely this level that we know so little about. Most studies of post-communist politics focus on elections, political parties, and the policies of new governments, while economic analyses almost exclusively emphasize macroeconomic issues such as structural adjustment and privatization. In contrast to these approaches, our work focuses on the micro-level of the firm as a way of understanding the conditions that structure and make possible different political and economic outcomes at the macro-level.

The paper presents our findings from extensive field research in Polish enterprises and from a survey of Polish trade union officials and managers that we conducted in ninety-five industrial enterprises in 1994. Our main finding is that a dramatic change in enterprise governance is occurring in post-communist Poland. There has been a strong move toward increasingly hierarchical internal relationships. Managers that used to be constrained by ministries at the top and trade unions at the bottom are emerging with vastly increased authority. What is particularly surprising, however, is why this is occurring. One of the main reasons for the emergence of hierarchical and authoritarian industrial relations institutions is not coercion from above but acquiescence from below. Hierarchical governance institutions are emerging strong in post-communist Poland in large part through the support of Polish trade unionists.

There is a general perception, shared by Polish and Western writers and experts alike, that workers and their union representatives constitute the biggest threat to successful post-communist marketization because they see it as entailing only a decline in living standards and a loss of influence on the job. Those assumptions found little support in our research. General polling data makes clear that rank-and-file workers have strong pro-reform tendencies. Our own survey shows similar tendencies among trade union officials. We find that union leaders, far from being militantly pro-worker, in fact strongly support the transition to a market economy in which unions play a minor role. Moreover, the beliefs of activists do not differ greatly

according to union affiliation: both Solidarity leaders and the leaders of the former Communist-affiliated trade unions support marketization. In short, we found that most union leaders:

- * Believe in the sanctity of property rights
- * Cite support for market reform as one of the main reasons for their involvement in union work
- * Doubt that strikes are beneficial to workers
- * Support direct foreign investment in Poland
- * Support extensive managerial prerogatives and limited employee input in private firms
- * Reject a "class struggle" model of politics, either inside the firm or in society at large

Indeed, the only area in which unionists tend to oppose free market policies is in their belief that government should take action to reduce pay differentials, which have widened dramatically in the post-communist period.

What follows from these attitudes? As our data on enterprise behavior and new industrial relations patterns makes clear, they have led to a general weakening of trade union influence in the workplace. The increased managerial control is a product of these reduced union demands. Even in state-owned firms, where union influence is greater than in privatized firms, pro-market sensibility is so strong that unionists there support union influence solely on the grounds that the firm is not private. They tend to look forward to privatization, at which time they see much less need for employee participation of any sort.

In what follows, we will first discuss our sample, look at the record of labor's pro-market sensibilities, and explore the way managerial control has increased. In two final sections we discuss implications: first, implications for our theoretical understanding of how institutions are formed, followed, in our final section, by a discussion of more general political conclusions.

The Sample

As part of a broader study on unions and emerging firm-level human resource management strategies in Poland, we administered surveys, in spring 1994, to leaders of the firm's two largest trade unions, the enterprise manager, and the employee representative on the firm's governing body. The sample was drawn from firms in towns and cities throughout Poland and with a variety of different ownership structures. The final sample included 31 state-owned firms, 22 "commercialized" or "state treasury" firms,* 20 domestic privatized firms, and 22 foreign-

* These are formerly state-owned enterprises whose assets have been formally transferred to the state treasury in order to

owned privatized firms. In the overwhelming majority of these firms, the two largest trade unions were Solidarity and OPZZ (the Polish Trade Union Alliance, which was closely affiliated with the communist party [PZPR] until the latter's dissolution in 1990). Solidarity was the sole representative in only one enterprise, whereas OPZZ was the sole representative in seven firms. In no firms did an OPZZ-affiliated union and an independent union exist side by side, reflecting the fact that most so-called independent unions were formerly affiliated with OPZZ, choosing to disassociate only in the post-communist period. In four firms, employees had no trade union representation. Altogether, we interviewed 82 Solidarity officials, 73 OPZZ officials, and 15 unaffiliated union officials. (See Table 1.) Most (82.4%) of our respondents were either the chair or vice-chair of their trade union's factory committee (Table 2). Slightly more than one-third of our Solidarity representatives held leadership positions in the trade union during its formative period in 1980-81; nearly half of the others (45.2% of OPZZ leaders and 53.3% of unaffiliated union leaders) had been active in OPZZ from 1983-89. Additionally, 44.6% of the OPZZ sample were members of the PZPR, confirming the continuity between the current OPZZ organization and the pre-1990 OPZZ. Whereas there were distinct differences among our respondents in terms of past organizational memberships, there were few differences in other key indicators. The average age of the respondents was 44.2 years and the average tenure with the firm was 20.9 years. Solidarity leaders tended to be somewhat better educated than OPZZ leaders, slightly less well-educated than the leaders of unaffiliated unions, and more likely to be men.

Unionists on Market Reform

Let us begin with what we know of the attitudes of Polish workers, not union activists. There have not been many studies of the attitudes of Polish workers. What there are, however, offer strong evidence of pro-market attitudes held by most of the workforce. That workers supported market reform far more than axiomatically assumed by observers was first noted by two Warsaw sociologists, Juliusz Gardawski and Tomasz Zukowski. In two studies, titled Workers 1991 and Workers 1993, based on extensive empirical investigation conducted in some 49 industrial enterprises around the country, Gardawski and Zukowski show that most Polish workers supported the transition to a capitalist market economy. The stereotype of the lazy proletarian nostalgic

be sold to private owners. The difference between "state-owned firms" and "commercialized firms" is that in the former, the highest legal authority is an employee council elected by the workforce, whereas in the latter, the employee council disappears and chief authority is handed to a supervisory board, four of whose six members are appointed by the state.

for the past can be seen as the neoliberal apology that it is. Indeed, Gardawski and Zukowski find few examples of the stereotypical "worker-dependent," looking to the state to maintain control of the economy and its enterprises in order to continue running a cradle-to-grave social welfare system on the workers' behalf. Instead, over 50% of the workers surveyed they identify as "moderate reformers," who believe strongly in enterprise autonomy and in competition between firms, and oppose state control of the economy.¹ These workers favor privatization of the economy, balking only at sales of big firms to foreign capital. They think firms should function according to "rational" economic standards -- make a profit or close down -- though they believe steps should be taken to help make firms competitive before such firms are pressured to close. They accept the need for some unemployment, but hope it can be kept to a minimum. That is, they accept unemployment and bankruptcy as necessary features of a modern economy, but want society to turn to such options only as a last resort. They are very tolerant of market reform, for they believe that a market economy will reward hard and honest labor, which is precisely what they felt the communist system systematically undermined. (The well-known communist-era quip that "they pretend to pay us and we pretend to work" was not a boast about proletarian craftiness but an attack on an absurd organization of the economy that resulted in the denigration of labor.) They see emerging capitalism not as a chance to "work like in the East for wages like in the West," as Polish liberals typically mock workers' views, but as an opportunity to make labor dignified.

According to Gardawski and Zukowski, 54.4% of Polish workers could be characterized as "moderate reformers" in the early 1990s. (They note little change in this regard between 1991 and 1993.)² Three percent, they find, are "liberals," or what we might call radical pro-marketeters, who accept unemployment not only as necessary but also as desirable, and who support the right of foreign capital to purchase Polish state enterprises. Only 12% of the Polish workforce, however, are "traditionalists," calling for continued state control of the economy and policies leading toward wage equality.³ The remaining 30.6% are marked by a conflation of various values and cannot be defined consistently by any of these three labels. Even so, however, the gross numbers show strong support for basic pro-market positions. Over 72% of Gardawski and Zukowski's sample support "full enterprise autonomy and tough competition between firms," while nearly 57% approve the bankruptcy of unprofitable firms.⁴

The majority of Polish workers, therefore, are very willing to accept market reform. Indeed, they are positively thankful for the collapse of communism and for the chance for enterprises to prove what they can do. They are glad that the state's grip on power has come to an end, and welcome the pressure to compete in order to produce better quality goods. In the society they favor, enterprises are autonomous, managed by experts, not controlled by the state. Such enterprises, they believe, will

reward hard work and honest labor. Only the most doctrinaire neoliberal believing that labor must suffer for its own good can view such attitudes as anti-reform. Indeed, as the remarkable labor quiescence of 1990-91 demonstrates, workers were so favorably disposed to reform that they tolerated even the radical shock therapy program. It went farther than most workers would have wanted, but it was a program of market reform, supported by official Solidarity and by Lech Walesa, and so workers were ready to support that too.

Did it change over time? Between 1991 and 1993, Gardawski and Zukowski detect only small changes. In particular, they find greater skepticism toward the chief ideas of market reform. Most people still fit their model of "moderate reformers," clearly supporting enterprise autonomy, competition, and bankruptcy for unprofitable enterprises. But they had lost some of their eagerness for these ideas. This is particularly evident on the question of unemployment, where we see a dramatic drop in worker support. Whereas 71.5% of workers surveyed in 1991 agreed that workers not "absolutely necessary" should be laid off, only 37.8% agreed two years later -- a drop of nearly half.⁵ This, however, must be seen in the context of changing policy and changing pronouncements by Poland's new elite. While workers were never under any illusion that unemployment could be avoided -- and the overwhelming support even in 1991, well into the program of shock therapy, shows that few workers believed it should be avoided -- they did believe that unemployment should not be the goal of economic restructuring, but rather a necessary evil to improve the firm, and one that restructuring might ultimately be able to minimize. After initially presenting it this way, however, the post-Solidarity political and economic elite began to present high unemployment as a problem about which nothing could be done. Firms that had laid off much of their workforce were still running in the red, while managers and state officials persisted in claiming that only more layoffs would make things better. Workers' four years of experience with post-communism, and the dramatic rise of double-digit unemployment figures, had led them to view unemployment as the preferred policy of managers and the state, rather than as the last resort they wished it to be. Unemployment was becoming the object of restructuring, and not, as workers both hoped and had been led to believe, something that restructuring might be able to minimize.

In any case, even with this change in policy, nearly 40% of workers in 1993 continued to support layoffs as a matter of sound economic policy.⁶ As for bankruptcy of unprofitable firms, a solid majority of workers still supported this idea in 1993, despite a drop in 15% from 1991 levels. But support for the market is evident chiefly in the continued high support for the notion of firm autonomy and competition. Few workers wanted any return to the planned economy of old. (See Table 3.) Indeed, even the ideological supporters of the Left saw there was no turning back. Gardawski and Zukowski cite a skilled metal worker and longtime supporter of the communists, before and after 1989,

who, when asked about whether he supported a return to direct state control over the enterprises, replied "Definitely not," both because "popular mentality is different today than what it had been," and because any return to the previous ways "would drastically limit [managers'] ability to make decisions on the enterprise level."⁷ The market was here to stay, and workers were ready to greet it.

So much for what public opinion surveys say about worker attitudes toward the market economy. But what about the union activists? In the West, of course, union activists, particularly in the days of early capitalist formation, have tended to be more militant than the workforce. Indeed, an individual would become a union activist precisely because he or she was a militant, anxious to arouse the rank-and-file against exploitation. In Poland, union officials also see themselves as more militant than the rank-and-file. There, however, they see themselves not as more militantly opposing marketization, but as more militant in their support of the market. Indeed, to hear union activists put it, the problem with workers is that they are not sufficiently supportive of the market reforms introduced in the post-communist era. Field research in factories around the country confirm the survey data. We were often told, particularly by local Solidarity officials, in a tone of thinly concealed exasperation, that "the workforce [zaloga] just does not understand." These officials would be in the process of accepting some new rule of the new economic order -- such as a negotiated layoff regimen or a change in the bonus strategy -- and their typical response to queries and objections from below was that the latter just did not yet realize that times had changed.

Gardawski and Zukowski do not provide much evidence on this matter. Fortunately, our surveys do. Responding to a simple question of whether they support market reforms, well over three-quarters of our respondents said that they did. We asked the union officials in our sample to explain the reasons why they got involved in union politics. Not surprisingly, the most common response was that they did so in order to defend the interests of employees: literally 100% said that this was an "important" or "very important" reason for their union involvement. For some observers, unfortunately, this itself is proof of anti-reform attitudes: since unionists want to defend employee interests, the reasoning goes, and since these interests will be hurt by market reform, unionists are therefore opposed to market reform. This normal logic of class conflict in capitalist societies, however, does not hold in societies emerging from communist party rule. As Figure 1 shows, a remarkably high number of unionists -- indeed, a majority of our Solidarity sample -- also said that they got involved in union activity in order to support market reform. Far from wanting to fight against ownership changes in large industry, a majority of our Solidarity respondents, and a near majority of the others, said that the desire to hasten the privatization process was an important reason why they became

union activists. Given the chance to say that their union activism stemmed from a desire to fight the consequences of the "shock therapy" program of former Finance Minister Leszek Balcerowicz, only a very small number opted for this. (See Table 4.)

These unionists believed union activism would help speed up market reform because they believed the workers in their firms were less committed to market reform than they were. While more than three-quarters of the respondents expressed strong support for market reforms, they estimated that only about one-third to two-thirds of their members felt the same way (Figure 2). Solidarity representatives perceived the greatest differences between their views and the attitudes of the workforce. Whereas 76.8% of Solidarity representatives expressed support for market reforms, only 38.8% thought that workers shared their views. Activists wanted to change what they perceived as this anti-reform bias among workers (despite the evidence of Gardawski and Zukowski). Indeed, almost three-quarters of the entire sample saw it as part of their role as unionists to explain the rigors of market reform to the rank-and-file, precisely in order to get the latter to accept them. The only area in which unionists took a somewhat anti-market position was on the question of pay differentials. About half of all unionists favor some form of incomes policy to reduce such differentials, which have risen significantly since 1989 and have led to great anxiety among the rank-and-file. Even here, however, it is perhaps more significant that about 50% of our respondents saw no problem here at all. (See Table 5.)

What about union militancy on the shopfloor? Our research does not confirm popular press reports about the shopfloor militancy of Polish trade unions. Rather, we have found that union officials are willing to grant management considerable leeway in governing enterprises. This position is consistent with trade unionists' support for marketization in general, since the basis of the marketization program was the notion that the creation of "real" owners with a material stake in the economic performance of firms was necessary for economic recovery.

Union Beliefs About Ownership

What do Polish union officials think about employee participation in enterprise governance? Typical neoliberal misconception assumes that with their strong union traditions, Polish workers will be militantly assertive of their governance rights. And indeed, the fall of communism left workers with more control over the worksite than anywhere else in the post-communist era -- indeed, with perhaps more power than any workplace council in the world. For while ownership status was invested in the state, governance rights devolved almost in entirety to the employee council (*rada pracownicza*), which elected the director and had the final say in any major decision,

from the changing of product line to the disposition of assets.⁸ Consistent with our earlier findings, however, Polish trade unionists now see employee domination of enterprise management as contrary to the principles of the market economy that they desire. They are thus willing to concede governance rights. At the same time, their concession on the principle of employee governance does not mean that they are ready to abandon all prerogatives right now. They agree that employee councils ought not have much influence, but only in firms that have made the transition out of socialism -- in other words, only in private firms. In state-owned firms, they feel that employees and their representatives need to maintain active involvement, only until that firm is privatized too. In this way, ironically, the goal of workforce involvement is to create conditions in which the workforce will cease to be involved.

Responses to questions about the need for employee councils illustrate this dual tendency. When asked whether employee councils with an active role in enterprise management were needed in state-owned firms, 75% of the entire sample said they were.⁹ When asked whether such councils were needed in private firms, the response dropped to about one-fifth. In other words, despite a long Polish tradition of strong employee councils, despite the fact that in 1989 employee councils elected by the workforce were formally responsible for all major decisions in most enterprises in the country, only from one-fifth to one-third of Polish unionists believed that employee councils should continue to exist in the future. (See Table 6.)

Unionists believe employees have an important role to play in state-owned firms because they see such firms as "ownerless," and therefore lacking the efficient and benevolent control they believe ownership confides. Unionists thus believe in employee councils for state-owned firms not because they see participation as a positive good, but because they mistrust the state's ability to act like a "real" owner. Unionists treat councils in state-owned firms as caretakers for ownerless property until real owners come and do their job. These "caretakers" are seen as necessary both to make sure that the old *nomenklatura* managers do not pillage state property, and to co-manage state firms so as to enhance their economic viability for eventual privatization. In the desired economy, where owners will supposedly take care of their property and reward hard work with good wages, employee involvement could then be dispensed with. Until then, some employee participation, or employee vigilance, is needed.

Interestingly, unionists tend to take a similarly active role in the "commercialized" or "state treasury" firms. Because these firms are only on the road to privatization, but not yet there, unionists believe employees need to retain rights in these firms too. Indeed, we found that despite the statutory dissolution of worker councils in these enterprises, employee stakeholders did retain considerable influence there. They did so by having the trade unions take the place of the councils. In

these firms, the regularly scheduled meetings between management and worker councils representatives (*narady*) that were obligatory under state-owned status, continued to occur after the transition to commercialized status, with the difference that trade union representatives took the place of the former worker council representatives. Issues concerning firm finances and privatization prospects were just as likely to be discussed at these meetings as were concerns about pay and working conditions. Moreover, trade unionists reported that they had relatively easy access to financial information in these commercialized firms, and that they were frequently engaged in discussions and strategy concerning the firm's privatization. As in state-owned enterprises, the multiple stakeholders in commercialized firms exercised considerable influence on the strategic direction and future ownership status of the firm.

Only in private firms do workers give up claims on governance. The same activists who will insist on a union's obligation to oversee management in state-owned firms, and who will make sure unions retain some influence in commercialized firms, limit their claims in private firms to a demand that owners consult with unions prior to layoffs -- a right that is in fact guaranteed by law. Even then, unionists do not insist that such consultations result in a reversal of management's decision.

Our survey shows that behavior follows beliefs. There has been a substantial decline in consultation practices in private firms. Whereas more than two-thirds of commercialized firms reported having regularly scheduled meetings between trade union representatives and management at least once a month, less than one-third of privatized firms had such meetings. Moreover, in state-owned and commercialized firms, strategic issues were frequently on the agenda. Managers met with enterprise representatives to discuss not just working conditions and wage policy, but to share financial information, plan firm market strategy, and discuss prospects for privatization. (See Table 7.) In privatized firms, on the other hand, *narady* tended to be concerned with wages and working conditions and were, in essence, an extension of the collective bargaining process.

The available evidence shows that the rank-and-file largely shares such views cutting workers out from enterprise management. Workers came to adopt these beliefs precisely with the coming of capitalism. Asked in 1983 whether they agreed with the view that worker participation is good for the firm, 64.3% of a national sample said that they did. In 1991 that figure dropped to 21%.¹⁰ When asked whether they agreed that worker involvement in management affairs is detrimental to the firm, only 5.1% of the 1983 workforce said they agreed. In 1991, 29.3% agreed.¹¹ These results are corroborated by other enterprise surveys from 1992, which also show widespread support, among all categories of workers, for the statement that managing is the responsibility of the management alone and that workers should not get involved in such things.¹²

To those versed in western experience, this will probably seem rather paradoxical: workers and their representatives are opposing participation just at the moment when it seems (to us) that they will need it. But that is precisely the point: Polish unionists respond to a different set of experiences than Western unionists do. Each has an experience with different kinds of enemies, and each tends to see the desired future as entailing elements identified with the purported opposite of those enemies.

A belief in the sanctity of ownership rights is what links the unionists' beliefs about enterprise governance in private and in state-owned firms. Governance rights, unionists believe, derive from ownership, not from employment. Workers should not have many rights in private firms because they are not the owners of private firms. State-owned firms, however, are treated as if they were owned by all, which means that they are owned by workers, too. Unionists support employees having strong governance rights only in enterprises of which they are themselves part owners. Since state-owned firms are those firms that have been created and/or built up by labor, unionists believe workers have ownership rights there, and with such ownership rights come governance rights. Being a worker is not enough to warrant influence over firm decisions. Being a part-owner is. Polish unionists believe workers should have rights over firms only when they can claim some ownership status. Owners have rights, they believe. Workers don't.

In the end, therefore, even where unionists seem to depart from strict market-oriented principles and support employee governance, they betray a continuing conservative pro-capitalist position. Their militancy itself is part of a call for their own disfranchisement.

The Strengthening of Managerial Control

Managerial control has been strengthened throughout the economy in the post-communist era. From a position of relative strength, blue-collar workers have found a rapid deterioration of both their economic and social bases of power, particularly in privatized enterprises. In part, this can be explained by the shift of power from employee to employer due to the rapid increase in unemployment. But adverse labor market conditions alone cannot explain the new balance of power within firms. Based on our interviews and survey data, there is a clear link between workers' desire to see the creation of "real owners," and these owners' increased control over the work process. The pro-market attitudes of the workforce allowed managers to strengthen their authority quickly and dramatically, with barely an utter of discontent from the unions. Indeed, Polish trade unionists in both privatized and state-owned firms accepted the limitation of employee rights and the expansion of managerial prerogatives in private sector firms.

Strengthened managerial control is evident in issues of consultation, pay, and wage determination. In the area of wage

policy, for example, there is a marked increase in the use of contingent wages in privatized firms. While the size of the firm's monthly bonus pool may be tied to some metric of the enterprise's profitability, the precise determination of individual bonuses are made without any formal metric or procedure. This strengthens management in two important ways: by increasing the authority of foremen and line managers, who become responsible for shaping each individual's wages, and by promoting internal competition and reducing employee solidarity. As an indication of the latter, most managers with whom we spoke emphasized the desire for supervisors to increase the differentiation in bonus awards, and in some cases these managers tied the level of supervisory bonuses to the extent of differentiation within individual workgroups.

Consistent with this wage policy, management in privatized firms has also sought to introduce confidential wages. In the socialist period, the wages of all employees, managers and workers were displayed in public areas. By 1994, nearly all non-employee-owned private firms had confidential wages, compared to 31.8% of commercialized firms and 9.8% of state-owned firms. Similarly, enterprise performance data typically available to employee representatives in state-sector firms have become unavailable to representatives in privatized firms. Managers in state-owned firms expressed a desire to adopt such policies in their own firms, too, seeing such secrecy as a way to promote incentive.

Many Polish managers we interviewed argued that compensation was their only means to motivate and control the workforce, and therefore that supervisor discretion in the allocation of these bonuses was essential. In this way, bonuses act as a coercive mechanism by providing first-line supervisors with a means to reward or punish employees on an ongoing basis. By introducing a system that makes a considerable percentage of compensation contingent upon the unilateral discretion of management, Polish firms have been able to substitute bureaucratic and technical supervision with a system of coercive control. This is in contrast to foreign-owned privatized firms in Poland that tend to tie employee compensation to annual or semi-annual formal evaluation systems. Indeed, whereas over three-quarters of the foreign firms surveyed introduced a compensation strategy that tied annual wage increases to formal evaluation systems, only 10% of Polish privatized firms did so.

The absence or presence of private owners constituted the basic divide for determining employee governance, but the key divide in the area of wage determination is between Polish and foreign-owned firms. In short, foreign-owned privatized firms have preferred flat-rate pay systems supplemented by year-end firm-wide bonuses, while Polish firms have been inclined to replace the old bonus system with contingent individual monthly bonuses. Since 1989, 24.6% of Polish domestic privatized firms in our sample have introduced highly contingent bonus systems, while 17.8% have maintained a pre-existing system. Among

foreign-owned privatized firms, however, only one enterprise introduced a highly contingent pay system, and only two others have maintained a pre-existing system that placed 25% or more of total compensation at risk.

The different approaches are consistent with the strategies adopted by multinational firms in attempting to forge new employee relations. In a number of foreign firms we visited, considerable resources were invested in translating and diffusing corporate mission statements emphasizing the value they placed on a partnership with employees. These views were frequently embraced by Polish managers in such firms. According to one senior manager in charge of quality control, "I used to think that you needed to treat workers like this [he put his right thumb in his left palm and twisted it back and forth]. Now, I realize that you have to talk to people, explain to them, teach them, and persuade them." For this particular manager, the defining moment came during a study tour of Japan and the United States. Significantly, however, "partnership" with the work force and concern for its well being did not translate into partnership with the union. Rather, most foreign-owned enterprises sought to formalize labor/management relations while circumscribing discussions with trade unions to a narrow range of issues related to wages and working conditions.

The extent to which these values have been internalized by Polish managers is reflected in our survey. We asked managers to estimate what percentage of blue collar employees in their firm care only about their pay, as opposed to also valuing other aspects of a job. The mean response for Polish managers in state-owned and Polish-owned privatized enterprises was 62.4%, compared with 46.4% for Polish respondents in foreign-owned enterprises ($t=2.50$ $P < .05$). These responses parallel those concerning a firm's obligations to employees. Asked to express levels of agreement on a five-point Likert scale to the statement: "It is an appropriate role for the firm to care for the personal well-being of employees," Polish managers in Polish state-owned and privatized firms had a mean response of 2.83 compared to 3.64 for Polish managers in foreign-owned firms ($t=2.76$, $P < .01$). In other words, managers in Polish-controlled firms believe that the firm's relationship with employees consists solely in the exchange of labor for compensation. Management representatives in foreign-owned firms, in contrast, have to varying extents internalized the post-Fordist values sometimes promoted by the corporate parent.

These views and the emergent patterns of wage determination suggest there are important differences between domestic and foreign firms that are not directly related to their common economic and institutional environment. In the transition period, firms in Poland faced an important decision about how to restructure obsolete compensation systems. Unlike developments in management/labor consultation, the paths they have chosen do not systematically vary as a function of the presence or absence of private owners. Rather, the divide is based on Polish versus

foreign ownership. Managers respond to similar challenges in different ways based on differing assumptions about employee motivation.

Managers were quite anxious to legitimate these changes as part of a general need for greater command and control systems. Most managers feel that employees had too much power in the communist era, and that trade unions exercised too much authority in the first years after 1989. They see privatization as marking an end to this era: "Now that the firm is privatized, trade unions will have to learn a new role." (Interview 1, Case 16.)¹³ Another manager noted that since privatization, "The role of the trade union has dramatically decreased. Of course we abide by the law on trade unions, but on a number of matters there is no need for consultation or agreement. On no economic matters is the trade union a partner." (Interview 1, Case 6.) Significantly, managers tend to express such anti-participatory views regardless of the firm's ownership structure.

Employees have noticed this increasingly hierarchical tendency, and do not always like in practice the kinds of things they supported in theory. "Once there was an employee council, trade union, information," said one worker we interviewed. "Now we find out about the firm from the newspaper." (Employee Focus Group, Case 10.) Employees are concerned about the unilateral nature of decision making and complain that suggestions and disagreements are increasingly met with threats of dismissal. This is true even in employee-owned firms, where partial share ownership does not necessarily translate into more shopfloor rights or more benevolent management. Indeed, one worker in an employee-owned firm said that "after privatization, they laid off workers so that people would be frightened. ... It's feudalism. There is no discussing things with supervisors. You can't say anything. If something bothers you, it's whoosh out the gate. ... They don't tell us anything, and we don't have the right to say anything. ... They can do anything with us that they want, and they do it." (Employee Focus Group, Case 6)

All in all, therefore, there has been a marked increase in management authority in post-communist Poland. The diminution of employee voice in privatized firms should be attributed not just to managerial strategy and high unemployment rates but to Solidarity's strategy as well. Primarily concerned after 1989 to facilitate the privatization of state-owned enterprises, union activists have difficulty defending employee rights after privatization. Solidarity encouraged the spread of market rules because activists and rank-and-file alike entered the post-communist era believing that worker rights are somehow naturally defended in the marketplace. While such ideas have changed since then, particularly among the rank-and-file, leading to considerably less support for privatization, for example, the hierarchical institutions that such ideas helped generate have now become the new norm.

Theoretical Issues and Conclusions

So far we have talked about union attitudes and firm-level outcomes. It is our view that the two are intrinsically linked. For while the move to an increasingly hierarchical management structure with reduced employee input was clearly part of the plan for those who favored the rapid transition to a market economy, the still-puzzling issue is how this rapid transformation was possible in a country where Solidarity, and the "workerist" ethos it allegedly represented,¹⁴ was so strong. The exclusion of workers from influence on firm-level outcomes has occurred largely without a peep from the workers themselves. And the question is how this was possible. In other words, the problem we face is how to explain the apparent paradox of Polish unionists' behavior. How could a political revolution led by a labor movement founded on egalitarian ideals result in statutory changes and shopfloor strategies that have diminished employee stakeholder rights and increased managerial prerogatives?

The problem seems to be a big one because of the strong common-sense assumption that workers in postcommunist society object to marketization. Adam Przeworski, for example, says that reform-minded governments must either coopt trade unions or repress them, precisely because he sees trade unions as institutions that naturally press for high wages that will not be forthcoming.¹⁵ The point is that he assumes trade union opposition to market reform. Once that assumption is made, it follows that trade unions must be gotten to work against their own interests. The only question is whether they do so voluntarily or by coercion. Similarly Mark Kramer, in an article on Polish labor from 1989-93, asks how the government was able to introduce shock therapy, given the strength of Polish labor.¹⁶ He too assumes anti-market tendencies of Polish labor.

As our research shows, however, these assumptions about working class attitudes cannot be sustained. More, we would argue that workers' and unionists' beliefs about the importance of "real owners" and about how firms ought to be run are themselves a key factor bringing about the authoritarian enterprise outcome. Capitalists and their proponents may seek the exclusion of workers from influence on firm-level decision-making. But this would not have come about so smoothly if workers did not have such pro-market beliefs. Of course, as we have noted, employees still retain influence in non-private firms. But because Polish firms are headed toward privatization, with strong worker support, and because neither workers nor their representatives believe employees ought to have much participatory rights in private firms, Polish workers are clearly on the road to exclusion. And it is the ease with which workers have been excluded that we seek to explain by pointing to the salience of these ideas themselves.

Our research therefore sheds light on the theoretical debate concerning how institutional outcomes come about. In contrast to both rational-choice and historical institutionalist theories, which have been increasingly popular in recent years,¹⁷ we think our research supports an "ideational" approach that considers the

influence of ideas in shaping national and firm-level institutional outcomes.

In recent years, rational choice approaches have been widely utilized to understand national institutional outcomes. While most rational choice theory assumes the existence of a market economy that has shaped various groups' understandings of interest, something that is of course lacking in the initial postcommunist condition,¹⁸ proponents have not hesitated to apply it to the postcommunist world.¹⁹ In this framework, political actors are assumed to maximize interest within constraints established by the institutional environment.²⁰ Interests here are understood economically and are viewed essentially as stable. When exogenous forces reconfigure the institutions of society or make existing structures malleable through political action, behavior may change, as actors pursue rational maximizing behavior consistent with the new institutional arrangements. Interests themselves, however, are viewed as unchanged.

Propositions generated in a rational choice framework poorly anticipate national and firm-level outcomes in post-communist Poland. The rational choice perspective assumes that people take decisions according to a calculation of what is in their best interests. It holds that political actors maximize interests within constraints established by the institutional environment. It assumes that people are guided by self-interest, which itself assumes that people well know what policies are in their self-interest. From this perspective, we would expect Solidarity to have devised a political and economic strategy in the transition period consistent with its earlier program and with its institutional position as the representative of wage employees. Hypotheses generated within this framework would predict post-1989 Solidarity pushing a familiar working-class agenda of struggle against market logic. Instead, however, as we have shown, Polish trade unionists frequently take positions that seem to clash with their own interests. Employee council members push for private ownership arrangements in which employee councils would not exist; union leaders push for policies certain to decrease the influence of unions. Obviously, something other than rational interest is at work here.

Historical institutionalists offer an alternative approach to studying national policy outcomes.²¹ Rather than treating interests as given, they employ an historically based analysis to understand why groups emphasize certain policy goals over others. The interests of individual political actors are seen as shaped not just by a desire to maximize income but by their organizations and individuals' positions in these organizations.

Even with their contextualized understanding of interest formation, historical institutional approaches are also limited in explaining the policy and firm-level outcomes in post-socialist Poland. Such an approach would see enterprise governance arrangements evolving in accordance with the institutions that are present. The problem, however, is that Solidarity and other unionists have actively supported the

discarding of those participatory institutions that existed. Moreover, post-1989 Solidarity has acquiesced in the jettisoning of those very firm-level self-managing institutions that it itself put so much effort into creating in 1980-81. An historical institutionalist framework would suggest we would see the emergence of institutional patterns promoting joint stakeholder/stockholder governance. In fact, there appears to be little evidence of this in Polish privatized firms. Even where unionists do remain attached to employee participation in governance, as they do in non-private firms, they do so in an *ad hoc* fashion, without a corresponding commitment to the rules and institutions that might secure such involvement in the future. On the contrary, they quite self-consciously see their involvement as temporary, lasting only until privatization, after which governance rights can revert to their "natural" possessors, i.e., their owners. The key variable is not institutional legacy but ownership structure. Our findings, suggest that the historical institutional approach is not very helpful for understanding postcommunist Poland.

Another argument, of course, might simply say that exclusionary and hierarchical enterprise institutional outcomes developed as they did because the new government and entrepreneurs imposed binding new pro-market rules that quickly foreclosed union options. The problem is that this just not true. In many ways, unions actually had an easier time in the immediate post-1989 period. Union formation was made much simpler in the new trade union law of 1991, while firms were still obliged to pay the salaries of full-time union representatives in large plants. Moreover, managers of state-owned firms often actively solicited union support, seeing this as added clout in the struggle for resources or concessions from the state.²² Rational choice or historical institutionalist perspectives may not be able to explain the exclusionary enterprise outcomes that have occurred, but neither can we explain this by elite policy choices. If unions and workers lost their clout, it is not because the elites forced such a result in 1989.

The question then is, what can explain the results? The anomalies of post-communist industrial relations suggest that we must seriously examine the role of non-economic and non-institutional variables in structuring economic policy and firm-level outcomes. This is best accomplished in an ideational framework that considers the autonomous role of socially constructed ideas in shaping national and firm-level institutional patterns. Without denying the material basis of these transformative notions, the ideational framework envisions the potential of particular concepts to structure policy options and firm-level strategies autonomously from the institutional environment in which they operate. This is not to argue that history, economics, and institutions are unrelated to ideas, but rather to suggest that once dominant notions emerge, strategic

actors may act upon them in ways not anticipated by the principal institutional interests they represent. In other words, ideas mediated by history and institutions shape the emergence of new institutional patterns. In contrast to the rational choice approach, this approach tells us to look at how interests are constructed, rather than to assume that they exist as a constant. In contrast to the traditional institutionalist approach, our ideational approach suggests that the past influences the present not just by providing institutions within which present actors must work, but by shaping expectations too.

In Poland, attitudes toward "capitalism" were shaped by a rejection of "communism," in which the former is seen as a system in which workers have little power but good living conditions, and the latter as one in which "workers' control" was usually just an excuse to maintain inefficiency. Thus, Poland's militant anti-communist working class entered the post-communist era with strong pro-market beliefs, and reacted to the recession produced by marketization with a passivity that confounded western observers accustomed to seeing militant workers fight to defend their immediate economic interests. Beliefs shaped the outcome, not interests.

Rejecting a system in which "working class power" was a poor excuse for economic backwardness and political dictatorship, workers proceeded to imagine ownership as the panacea. Where owners existed, workers believed they did not need to actively defend their interests. Rather, workers' interests would allegedly be satisfied naturally, in the course of doing business. (As workers would frequently tell us, "a real owner pays hard workers good wages.") Where owners were lacking, however, workers believed they needed to assert certain decision-making authority for themselves. Thus, the different outcomes in state-owned, commercialized, and privatized firms: more comprehensive discussions with employees in the first two, exclusion of employee input in the third. It did not matter that only the state-owned firms retain employee councils. Beliefs shaped the outcome, not institutions.

The importance of ideas is also made clear through a comparative glance at developments in Hungary. By law, employee councils exist there in all firms, state-owned and private. But despite the formal institution, employee involvement remains insignificant, as the councils remain largely management tools.²³ For historical reasons having to do with greater market opportunities for Hungarian workers, employees have never had much interest in formal involvement in firm governance. This has kept participation low with or without the presence of representative enterprise institutions. Ideas, in other words, have been more important than institutions.

Of course, the question of why Polish workers have the pro-market ideas that they do is a very different question, and one that is outside the scope of this paper. The answer has to do with the failure of the first Solidarity experiment, the intelligentsia's embrace of neoliberalism at a time when

intellectuals still constituted Solidarity's moral authority, the international turn away from social democracy, a cold war ideology that offered two and only two hypostatized alternatives, and personal experiences as Gastarbeiters in the West that taught the lesson that working without union protection could bring in money worth quite a lot back home. It also has to do with the nature of the struggle in the past -- directed not against capitalists and bad managers utilizing market procedures to exploit working people but against the communist state utilizing non-market rationales to maintain unchallengeable control. Many unionists came to believe in capitalism simply because it was the enemy of their enemy. (It made a big difference too, of course, that the capitalism Polish workers were familiar with was the kind existing in the rich welfare states of Western Europe and the United States. Capitalism was identified not with primitive accumulation but with Keynesian redistribution. That the latter was itself made possible by a militant unionism in the past was something that Polish workers did not see, and that neither side in the old Cold War had any interest in getting them to see.) But this is not the place to explain why workers have the ideas that they do.²⁴ Our point is only that these ideas are the main factor responsible for union weakness and for the move to hierarchical and non-participatory governance institutions in post-communist Polish workplaces.

While a discussion of the political implications of all this is outside the scope of this paper, a few words are in order. Those who make assumptions of labor's anti-market predilections see this as the reason why labor constitutes a threat to liberal democratic transformation. We believe we have shown that such assumptions are not true. It does not follow, however, that our findings of labor's pro-market sensibilities mean that labor constitutes no danger at all. To the contrary, we see political danger in post-communist society emerging not from a rejection of marketization, but from a too-willing acceptance of a marketization that just cannot deliver what workers believe it can. As the political wanderings of labor since 1989 make clear -- workers have moved from center parties to left parties to right parties without staying long in any -- workers and unionists seem to support the ideas of marketization far more than the results of marketization. They like market principles in general, but do not like the kind of market results that are actually occurring. Labor was won over ideologically during the struggle against communism, but has not yet been won over materially or institutionally. Workers imagined that a market economy would include them, but their experiences since 1989 have taught them something else. The ensuing cognitive dissonance between beliefs and reality, between expectations and results, is fertile ground for the emergence of a pro-market fundamentalism. Election results since 1989 have pointed steadily in this direction. Ever since Solidarity splintered into competing political parties and economic and social ideologies, Polish

workers have been searching for a political party and a political program to latch onto. They have tended to support those who favor economic liberalism while blaming political liberalism for the former's disappointing results. In 1990, Lech Walesa won the presidency with a campaign promise to be the "president with an axe," chopping away at parliamentary obstacles in the path to building capitalism fast. So anxious was the electorate to embrace magical market solutions that it swept away Tadeusz Mazowiecki, Walesa's politically liberal rival, and gave populist demagogue and rich Canadian businessman Stan Tyminski a strong second place showing. In 1993 and 1995, many workers turned back to the left -- or at least what they hoped would be a left, seeing in the Alliance of the Democratic Left (led by the former communist party) a force that would give workers a stake in the economy. By 1996, disillusionment with those results gave rise to what is now the strongest political challenge of all: "Electoral Action Solidarity." Organized by the union itself, EAS embraces all the key principles of pro-market fundamentalism: support for the market in general but hostile to market winners, hostile to foreigners, skeptical of liberal democratic rules of the game, and embracing a religious fundamentalism as compensation for workers' material losses. Opinion polls consistently list EAS as the front-runner for the 1997 parliamentary elections. Our report of labor's pro-market support should not, therefore, be taken as implying that capitalist democracy has no enemies. Until workers are integrated materially and institutionally and not just ideologically, the disparity between expectations and results can lead to a profound threat to liberalism -- not so much to economic liberalism perhaps, alternatives to which are difficult for a small, globally-dependent country to inaugurate -- but to political liberalism.

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Table 1 - Trade Union Representation (number of firms)

Solidar. & OPZZ	Solidarity & Unaffiliated	OPZZ & Unaffiliated	O n l y Solidar ity	Only OPZZ	No Union Representati on
66	15	0	1	7	4

Table 2 - Characteristics of Respondents

	NSZZ Solidarity n= 82	OPZZ n=73	Unaffiliated n=15	Total n=170
<i>Position in Union</i>				
Leader of Factory Committee	65.9	71.2	60.0	67.7
Vice-Leader of Factory Committee	18.3	9.6	20.0	14.7
Member of Factory Committee	15.9	19.2	20.0	17.6
<i>Education</i>				
Basic or Technical	30.5	15.1	13.3	22.4
Technical HS	39.0	53.4	53.3	46.5
HS	9.8	19.2	6.7	13.5
University	20.7	12.3	26.7	17.6
<i>Organizational Membership</i>				
Solidarity Leader in 1980-81	34.1	9.6	13.3	21.8
OPZZ Leader in 1983-89	0.0	45.2	53.3	24.1
PZPR Member in 1989	1.2	46.6	26.7	22.4
<i>Other Demographic Attributes</i>				
Male	91.5	76.7	66.7	82.9
Age	43.9	44.6	47.7	44.2
Tenure with firm	20.0	21.3	23.6	20.9

Table 3: RANK-AND-FILE WORKERS ON THE MARKET ECONOMY

<u>Changing support for market values</u>			
Preference	1991	1992	1993
Full support for enterprise autonomy and tough competition between firms	83.6%	75.4	72.4
Layoffs of unneeded employees	71.5	56.9	37.8
Bankruptcy of unprofitable firms	72.0	63.4	56.8

[Source: Juliusz Gardawski and Tomasz Zukowski, Robotnicy 1993: Wybory Ekonomiczne i Polityczne (Warsaw: Friedrich Ebert Stiftung, 1994), table 3, p. 26.]

Table 4 - REASONS FOR TRADE UNION ACTIVISM

(Percentage of respondents responding "important or very important")

	Solidarity (n=82)	OPZZ/Branch (n=88)
To Support Market Reform	57.3	36.4
To Speed Privatization	53.1	42.0
To Fight the Balcerowicz Program	19.3	13.6

Table 5- MARKET REFORM AND TRADE UNION ACTIVISM
 (Percentage of respondents expressing "agreement" or "strong agreement")

	Solidarity (n=82)	OPZZ/Branch (n=88)
The government should minimize pay differentials	50.0	52.2
I support market reforms	76.8	81.8
My role is to explain market reforms	74.4	67.8
Workers support market reforms	38.8	49.4

Table 6- SHOPFLOOR ORIENTATION

(Percentage of respondents expressing "agreement" or "strong agreement")

	Solidarity (n=82)	OPZZ/Branch (n=88)
Worker Councils Needed in State-owned Firms	74.4	76.1
Worker Councils Needed in Private firms	20.8	36.4
Trade Unions Should be Stronger than Management	28.1	26.1

4 17

5 18

6 19

Table 7: PARTICIPATION AND WORK OF NARADY¹

	State-owned n=31	Commercial-ized n=22	Worker- owned n=13	Traditional n=7	Foreign- owned n=22
Have <i>Narady</i> at least once a Month	54.8	72.7	30.8	28.6	36.4
Percentage of firms with <i>narady</i> where following issues are "always" or "almost" always" discussed:					
Pay	25.8	54.5	15.4	14.3	22.7
Worker Grievances	22.6	22.7	7.7	14.3	4.5
Bonus System	9.7	27.3	0	0	13.6
Training	3.2	13.6	0	0	9.1
Employment Levels	12.9	36.4	7.7	0	9.1
Social Fund	9.7	27.3	7.7	0	13.6
New Investments	29.0	18.2	0	14.3	9.1
Firm Finances	48.4	54.5	15.4	14.3	9.1
Division of Profits	6.5	18.2	7.7	0	0
Privatization	25.8	50.0	0	0	9.1
Managerial Appointments	3.2	9.1	0	0	4.5
Quality	22.6	27.3	7.7	0	13.6
Organization of Production	41.9	36.3	7.7	0	9.1

¹ Data provided by management representatives.

NOTES

1. Juliusz Gardawski and Tomasz Zukowski, Robotnicy 1993: Wybory Ekonomiczne i Polityczne (Warsaw: Friedrich Ebert Stiftung, 1994). See also Gardawski's Robotnicy 1991: Swiadomosc Ekonomiczna w czasie Przelomu (Warsaw: Friedrich Ebert Stiftung, 1992).
2. Robotnicy 1993, p. 24.
3. Ibid., table 2, p. 25.
4. Ibid., table 1, p. 18.
5. Ibid., table 3, p. 26.
6. Ibid.
7. Ibid., quoted on p. 27.
8. Anthony Levitas, "Rethinking Reform: Lessons from Polish Privatization," in World Policy Journal IX:4, Fall/Winter 1992, p. 790.
9. On these, as on most questions, there was not a great deal of difference between Solidarity and other trade unionists. Indeed, we found that despite the very tense relations among national union activists, on the shopfloor level representatives of Solidarity and of OPZZ, the former communist trade union federation, get on rather well. Less than 30% of our respondents stated that there were many points of conflicts between the unions; well over half claimed that union relations at their particular plant were friendly.
10. Juliusz Gardawski, Robotnicy 1991 (Warsaw: Friedrich Ebert Foundation, 1992), p. 28. The exact wording differs slightly in each survey. In 1991 workers were asked whether they agreed that "employee participation in firm governance will definitely improve the situation of the firm." In 1983 the statement read, "the more employee participation in firm governance, the better."
11. Ibid. Again, there was some difference in the exact wording of the statements. In 1991: "Regular workers should not in general get involved in management, since that can only make the situation worse." In 1983: "Enterprise management is the business of the managers, and workers should not interfere in such matters."
12. Workplace surveys conducted by Artur Czynczyk and Andrzej Chelminski, summarized by Marc Weinstein, untitled manuscript, November 1992.

13. Statements taken from interviews with Polish managers between 1992 and 1994 carried out by Marc Weinstein and a Polish team of sociologists. Cited in Dariusz Chelminski, Andrzej Czynczyk, and Henryk Sterniczuk, Pierwsze Doswiadczenia Prywatyzacji: Raport z badan w sprywatyzowanych przedsiebiorstwach (Warsaw: Centrum Prywatyzacji, 1993); and Marc Weinstein, "The Remaking of the Polish Industrial Relations System," Ph.D. dissertation, Massachusetts Institute of Technology, 1996.

14. On the workerist nature of Solidarity, see Roman Laba, The Roots of Solidarity (Princeton: Princeton University Press, 1991); and Lawrence Goodwyn, Breaking the Barrier: The Origins of Solidarnosc in Poland (New York: Oxford University Press, 1991).

15. Adam Przeworski, Democracy and the Market (Cambridge: Cambridge University Press, 1991), pp. 181-82.

16. Mark Kramer, "Polish Workers and the Post-communist Transition," in Communist and Post-Communist Studies 28:1, 1995, pp.71-114.

17. See the discussion in Kathleen Thelen and Sven Steinmo, "Historical Institutionalism in Comparative Politics," in Steinmo, Thelen, and Frank Longstreth's Structuring Politics (Cambridge: Cambridge University Press, 1992).

18. David Ost, "The Politics of Interest in Post-Communist East Europe," in Theory and Society 22, August 1993.

19. See for example Przeworski, op. cit., and John Mueller, "Democracy, Capitalism, and the End of Transition," in Michael Mandelbaum, ed., Post-Communism: Four Perspectives (New York: Council on Foreign Relations, 1996.)

20. For some classic statements, see Kenneth Shepsle, "Institutional Equilibrium and Equilibrium Institutions," in Herbert Weisberg, ed., Political Science: The Science of Politics, New York: Agathon Press, 1986); and Douglass C. North, Institutional Change, and Economic Performance (Cambridge: Cambridge University Press, 1990).

21. See, for example, Peter Gourevitch, Politics in Hard Times: Comparative Responses to International Crises (Ithaca: Cornell University Press, 1986); Peter Hall, "The Movement from Keynesianism to Monetarism: Institutional Analysis and British Economic Policy in the 1970s," in Steinmo, Thelen, and Longstreth, op. cit.; and Peter Katzenstein, Corporatism and Change: Austria, Switzerland, and the Politics of Industry (Ithaca: Cornell University Press, 1984).

22. Janusz Dabrowski, Michal Federowicz, and Anthony Levitas, "Polish State Enterprises and the Property of Performance: Stabilization, Marketization, Privatization," in Politics and Society 19:4, December 1991, pp. 403-38.

23. Laszlo Bruszt, "Reforming Alliances: Labour, Management, and State Bureaucracy in Hungary's Economic Transition," in Acta Oeconomica 46:3-4, 1994, pp.313-32. Also, interview with Hungarian industrial sociologist Laszlo Neumann, February 1995.

24. For more on this, see David Ost, "The Crisis of Liberalism in Poland," in Telos No. 89, Fall 1991; and "Labor, Class, and Democracy: Shaping Political Antagonisms in Post-Communist Society," in Beverley Crawford, ed., Markets, States, and Democracy: The Political Economy of Post-Communist Transformation (Boulder: Westview Press, 1995); Marc Weinstein, "From Co-Governance to Ungovernability: The Reconfiguration of Polish Industrial Relations," in Kirsten Wever and Lowell Turner, eds., The Comparative Political Economy of Industrial Relations (Madison: IRRA Press, 1995); and Steven Stoltenberg, "An Underground Society: The Evolution of Poland's Solidarity 1982-1989" (Ph.D. dissertation, University of California, Berkeley, 1995).

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