JUST REWARDS?

COMMUNISM’S HARD BARGAIN WITH THE CITIZEN-CONSUMER

Patrick Patterson
University of California, San Diego
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Principal Investigator: Patrick Patterson

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Executive Summary

The paper considers the implications of the common argument that consumption opportunities were a key to legitimacy and "normalization" in European state-socialist regimes. Such interpretations have stressed a conclusion that the people of the communist societies were, in effect, bought off by their illegitimate leaders. Whereas many Western economists, government officials, and political analysts believed that the introduction of market forces to the communist world would result in further democratization and liberalization, the historical record – including a number of influential contemporary critiques made by citizens of the communist societies themselves – suggests that a very different process may have been in operation across socialist Europe.

What were typically interpreted as liberalizing gestures in socialist economies may instead have resulted in a suppression of democracy and civic engagement in political questions. I address these concerns using evidence from a variety of state-socialist polities, thereby extending to a comparative context a number of key questions arising from my research in and on the former Yugoslav federation, where the consumerist orientation proved strongest, but where the nature of any "deal" may have been obscured by the lighter touch of Titoist practice. I suggest that the historiography of communism and of the region more generally might benefit from a fresh and more sophisticated application of social-contract concepts to these questions of legitimation, pacification, popular satisfaction, and the nature of everyday life under authoritarian rule.
Mephistopheles:

Still, my good friend, a time may come,
When one prefers to eat what’s good in peace.

Faust:

When I lie quiet in bed, at ease.
Then let my time be done!
If you fool me, with flatteries,
Till my own self’s a joy to me,
If you snare me with luxury –
Let that be the last day I see!
That bet I’ll make!

Mephistopheles:

Done!

Johann Wolfgang von Goethe, Faust
Trans. A.S.[Tony] Kline

1 Kline, A.S., Goethe: Faust Acts I and II Complete,
http://www.tonykline.co.uk/PITBR/German/FaustIScenesIVtoVI.htm [last accessed 24 July 2008].
Introduction

In the latter decades of European state socialism, a number of Western economists, government officials, and political analysts pinned their hopes for an eventual relaxation of Cold War tensions on the introduction of the market to the communist East. Direct liberalization of the political realm, it was assumed, would not be forthcoming, but the urgent need for practical material progress would open the gates to economic liberalization and the adoption of market mechanisms, which could in turn function as liberal democracy's Trojan horse. The emancipation of enterprise would lead to the democratization of citizen participation in governmental processes; economic freedom would beget political freedom.

With the analysis that follows, I hope to invite a deeper consideration of whether, and how, a radically different process might have been at work in socialist Europe during the 1960s and 1970s, that is, in the years when something like a socialist version of the Good Life started to surface in a number of the more prosperous East European societies. The dynamic at issue is not quite a simple negation or reversal of the process imagined by the advocates of economic liberalization, but it turns on a set of similar factors and interests. To be more specific: the implication here is not that the continued denial of some required minimum level of economic freedom contributed to the continuing restriction of democratic processes, nor am I positing that

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2 Having originally developed this characterization of the "stealth" effects of economic change as an abstracted metaphor derived from the Cold War record in toto, I have more recently discovered concrete evidence that U.S. policymakers saw Yugoslav liberalization in precisely such terms. Identifying "economic decentralization and liberalization" as one of the four primary aims of U.S. policy in the region, one declassified State Department assessment of the country from 1965 thus remarked that "the Yugoslav example of independence in foreign affairs and a relatively freer and more prosperous society has generated envy within the other Communist countries of Eastern Europe and has encouraged the movement towards greater independence and internal economic and political change characteristic of Eastern European Communist countries today. In effect, Yugoslavia has served the US as a Trojan Horse in Eastern Europe; our policies have produced good results in furthering diversity and some liberalization within the Communist world." U.S. Policies Toward Yugoslavia, unsigned Confidential memorandum dated 15 July 1965, p. 1, date declassified 27 April 2001, available through the Declassified Documents Reference System database, galenet.galegroup.com, with the document title "Paper Regarding U.S. Policy toward Yugoslavia" [last accessed 25 July 2008] (emphasis added).
a direct inverse relationship existed between the two. Instead, I want to suggest the need to examine more closely the assumed nexus between *mercatura* and *civitas*, to be alert for a variety of consequences that would have been, from the theoretical vantage point of the pro-market liberals, unanticipated and certainly unintended, and to acknowledge that what often appeared to be liberalizing moves in socialist economies might actually have resulted in a *suppression* of "democracy" and civic engagement in political questions.

**Complexities of the Socialist Social Contract**

The complexities of socialist Europe's historical record compel this sort of renewed and deepened inquiry. On the face of things, at least, the histories of these countries suggest the possibility that the reorientation of their economies toward either presumed or documented market signals -- and especially toward those specific market signals represented by consumer demand -- worked (perversely, in the liberal view) to the detriment of democracy. And even in those instances in which the policy shift toward the market was coupled with the extension of (quasi-)entrepreneurial freedom to producers and sellers, it seems possible that any incremental gains to the political culture of democracy were more than offset by the countervailing effects of an apathetic consumer culture.

Writ simply -- too simply -- the matter can be made to appear a stark and grim one: the people of the communist societies were, in effect, bought off by their illegitimate leaders. Seeking to forget the scarcity and ravages of wartime, ordinary folk accepted the contractual terms offered, Faustian though they obviously were. Snared with luxury, seduced by ease, tricked by consumer culture's egoistic flatteries into believing in the joys of the self, East Europeans opted to "lie quiet" and cede the prerogatives of a more genuinely democratic
citizenship in favor of full pantries, well-furnished apartments, and attractive wardrobes. Preferring "to eat what's good in peace," they were glad that the time had come, finally, to do just that -- and none too soon for this habitually impoverished, "backward" part of the European periphery.

The notion of this sort of trade-off need not be inherently hostile to the socialist project, though it often is. Nevertheless, whether framed as a resentful indictment of communism or more neutrally, as an objective assessment of competing interests, such formulations actually need to be seen as underscoring the fundamental uncertainty of both sides' bargaining positions, though this balance of the equities may not be apparent from the outset. Both normatively and analytically, such an approach ultimately redounds to the detriment of communism: ordinary East Europeans may have shown themselves repeatedly to be too weak to offer true democratic resistance with any success, but the communists were weak in their own way, and coercion had reached its limits. Mephistopheles needed the bargain, too.

As I have demonstrated in my earlier work, post-mortems of the Yugoslav catastrophe are salted with the more-than-occasional accusation that the citizenry of the various republics had been bought off in much the same manner, that democratic processes and potential had been squelched -- consciously and "diabolically," some of the critics claim -- by the government's option for a consumer-friendly economic policy.3

In her wonderful bittersweet lamentations over the Yugoslavs' Not-Quite-Paradise Lost, Slavenka Drakulić talks in this vein about the profound change in material circumstances that marked the country's escape from the shadow of the Second World War:

It was my generation that grew up in times of scarcity when milk and butter, meat and clothes were rationed . . . . Sometimes we tasted powdered milk from UNRRA packages -- it was so sweet that we licked it from our palms like some special kind of sweet. Or we'd eat yellow Cheddar cheese from the cans, or margarine, or "Truman's eggs" as we called powdered eggs. People moved to the cities to help build up heavy industry . . . . Married, we tried different combinations to escape living in crowded communal apartments shared by two or three families.4

Drakulić goes on to suggest a connection between sacrifice and civic spirit: the immediate postwar generations that suffered these privations did so with a surprising willingness; they were deeply and genuinely involved in a broad-based, hopeful effort to build Yugoslav socialism. They cared about politics. Because politics, and specifically socialist politics, seemed to many to give hope for new beginnings, for a more prosperous and just Yugoslavia. This had been, in other words, a society of engaged worker-citizens, even if the concept of citizenship that was involved in this new experiment broke with the norms of the liberal democratic tradition stretching back to the French Revolution and beyond.

In stark contrast, those called on to fight the wars of the 1990s came from a generation of more or less oblivious plenty. To her daughter, addressed as a representative member of this cohort, Drakulić complains about the troubling change wrought by the new opportunities to pursue abundance that the mature stages of self-management socialism had come to offer:

You watched us buying better cars to replace the Fiat 750, a color television, a weekend house on the Adriatic coast. We went together to Trieste and Graz to buy Nike sneakers, Levi's, Benetton pullovers and walkmans for you. . . . Your values became more and more removed from ours: career, money, but no politics, please.5

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5 Ibid., 132-133.
Consumerism, according to Drakulić, worked as a kind of palliative, as compensation for the lack of genuine popular participation in the guidance of the country's affairs. In this view, Yugoslav citizens – or had “subjects” become the better word? – undertook "a kind of contract with the regime: we realize you are here forever, we don't like you at all but we'll compromise if you let us be, if you don't press too hard." The quid pro quo, in this view, may not have been explicit, but it was nevertheless certain.

The deal involved here may well have been harder to recognize in Yugoslavia than in other, more authoritarian societies, but its soothing effects nevertheless came, the critics said, at a terrible cost: the sometimes heavy hand of the Yugoslav communists was indeed cushioned by access to material comforts at home and abroad, but as a consequence of that softer style, consumerism and the pursuit of living well became the order of the day and in this way distracted Yugoslavs from the more serious and urgently-needed work of creating a healthy political culture that could sustain a democratic society in a reformed state. Thus, Drakulić suggests, Yugoslavs "traded our freedom for Italian shoes" and failed to develop the sort of activist political culture rooted in genuinely democratic and liberal values that would have been necessary to avert the nationalist wars that followed the demise of communism.

But although Yugoslavia's embrace of consumerism was the most spectacular, the most whole-hearted, and the most successful, the country does not stand alone as a special case when it comes to allegations of devil's bargains and freedoms traded cheap. Indeed, much the same might be said of the longer postwar trajectories of any of those communist societies that ultimately managed to offer reasonable material progress and comfort. And much the same is being said right now about Vietnam and, a fortiori, China, which has arrived at something very

6 Ibid., 135 (emphasis added).
much like Leninism without Marxism. Socialist Romania is, of course, another story, while Poland and Bulgaria offer mixed and variable records, intriguing in their own ways, but perhaps less instructive for the bigger issues at stake here because of their recurring inability to engage in such social bargaining on the requisite material terms.8

Still, it is very tempting to treat Polish party leader Edward Gierek's pro-consumption policies of the early-1970s policies as an example of just this sort of deal -- an awkward communist Food for Peace program, as it were, coming on the heels of the violent unrest that had led to the ouster of Gierek's predecessor Władysław Gomułka. Short-lived as Gierek's successes proved to be, Poland's history may be less indicative of the absence of any attempt to buy off the masses than of the simple failure of the effort to do so. And even for the continually overstretched USSR it is possible to read the history of the post-Stalin "thaw" as a time marked not primarily by any principled rejection of terror and coercion as tools of political and social discipline, but rather by an acknowledgement that attention to consumer desire might serve the same ends more effectively, and with greater benefit to the overall soundness of the Soviet system.9

The history of East Germany lends itself readily to an interpretation along the much the same lines. Although the GDR always remained to some extent a society of shortage and

7 Ibid.
9 See, e.g., Susan E. Reid, "Cold War in the Kitchen: Gender and the De-Stalinization of Consumer Taste in the Soviet Union under Khrushchev," Slavic Review 61, no. 2 (2002): 211-52. A similar resort to the material as a means of ensuring social stability and acquiescence is one element (but only one element) in the argument made in Vera Dunham's account of "the Big Deal" between the leadership of the USSR and the country's middle class in the period between 1945 and Stalin's death in 1953. Vera S. Dunham, In Stalin's Time: Middleclass Values in Soviet Fiction (Cambridge: Cambridge University Press, 1976); see especially 41-58 (on possessions) and 87-109 (on status).
want, the country's leadership nevertheless sought to build social support through the explicit acknowledgment of the value of individual consumption in the development of party priorities. And though it could never surpass the Federal Republic as promised, East Germany cultivated the consumerist orientation with some success and with, as I have discovered in research related to other aspects of my broader comparative project on socialist consumption, a remarkable penchant for emulating ideologically suspect Western styles, models, and techniques.

Here, too, the idea of a conscious social bargain finds considerable support. Mark Landsman's careful study of East German consumption policy in the period before the severance of physical ties with the West concludes, for example, that such an exchange, or the perceived need for it, characterized much of the history of the GDR, especially in its final decades. Thus he presents party leader Erich Honecker as deploying a set of policies "in which, for reasons of political expediency and the legitimation of the new leadership, consumption would enjoy a new autonomy from the hitherto all-important demands of production." Landsman finds in the East German record evidence of yet another communist "deal": "Living standards would improve, albeit modestly; the regime would thereby ensure that its citizens continued to

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10 It bears noting, however, that Ina Merkel, the German scholar who has engaged these questions in the most sustained and detailed way, has challenged the utility of the concept of the *Mangelgesellschaft* (shortage society) for dealing with the East German case. Ina Merkel, "Alternative Realities, Strange Dreams, Absurd Utopias: On Socialist Advertising and Market Research," in Katherine Pence and Paul Betts, eds., *Socialist Modern: East German Everyday Culture and Politics* (Ann Arbor: University of Michigan Press, 2008), 323-344, see esp. 326-327.


acquiesce to its rule.

In short, Honecker was imposing a trade-off: expanded consumption and material security in return for political quietude, if not loyalty.”13 Here the transaction -- Food for Peace or TVs for Peace, or Trabis for Peace -- is conceptualized in stark, straightforward terms, and the most profound meanings of the consumerist course appear to lie precisely in the hoped-for potential for pacification. And Landsman is not alone in his interpretation; endorsements of the idea of this sort of social contract in the GDR appear periodically throughout the literature on this, the best-studied case.14

Indeed, the East German "bargain" stands as an emblem of the deals made, or at least pursued, all across the Soviet sphere of influence, when consumption rose to prominence in the late socialist period as the single most important basis of communism's legitimacy, and indeed its survival. As Tony Judt suggests in his grand synthesis of Europe's history after World War II, individual consumption became the key to the socialist system, just as it had for its capitalist rival. And again, the state-society contract was in the balance: "Ever since it had become clear by the end of the Sixties that the future promise of ‘Socialism’ could no longer be counted upon to bind citizens to the regime," Judt concludes, "Communist leaders had opted instead to treat their subjects as consumers and replace (socialist) utopia tomorrow with material abundance

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today.”

The promotion of consumer satisfaction, he observes, was thus one of the first strategies adopted by Czechoslovak conservative Vasil Bil’ák to deaden the memories of the Warsaw Pact invasion of 1968. With its comparatively potent manufacturing capacities in the consumer sector and its painful failed attempt to create a genuinely democratic, genuinely socialist reconceptualization of citizenship, Czechoslovakia's experience poses the questions under consideration in a particularly straightforward and useful way. Exploring that case, Bradley Abrams and Paulina Bren are now developing promising new studies of the "normalization" policies that followed the suppression of the Prague Spring. Their work both corroborates and complicates the idea of a new social compact for Czechoslovakia after 1968, but here, too, we are left with the impression that a more democratic understanding of citizenship was traded off for increased access to consumer opportunities, or at least the promise of some sunnier tomorrow.

As my own ongoing comparative research has revealed, current Hungarian public discourse is likewise readily disposed to treat the post-1956 Kádár era as one in which dreams of freedom were cashed in for well-stocked refrigerators, trendy fashions, cars from East Germany, and diverting little weekend houses to visit in those cars. Writing in Élet és Irodalom [Life and Literature], one of Hungary's leading forums for cultural opinion, György Báron has offered up just this sort of warning about the images of consumer delight captured in the films Budapest

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16 Judt, 581.
17 See Paulina Bren, The Greengrocer and His TV: The Culture of Communism after the 1968 Prague Spring (Cornell University Press, publication anticipated 2009). Bradley Abrams is currently engaged in a new book project tentatively entitled “Normalizing the Socialist Good Life: Consumption, Consumerism and Political Legitimacy in Czechoslovakia after the Prague Spring,” a work that will squarely address and shed light on a number of the "buy-off" (and perhaps "sell-out") issues that are raised in the present essay; publications from that project should be forthcoming relatively soon.
Retró (1998) and Budapest Retró II (2003), director Gábor Zsigmond Papp's shimmering documentaries on the Good Life of the 1960s and 1970s. "These harmless-seeming film clips are an exact imprint of the Kádár-era compromise," Báron writes:

They don't lie to us in a coarse, shameless way -- they just don't tell the whole truth. They show how, in spite of everything, it was possible to live here. That this place was pleasant and livable again. There was no democracy, nor would there be. Once again, however, the stores, cafés, clubs, cabarets, and nightspots were open. Everyone could buy a television (the lightning-quick spread of television at the beginning of the 1960s effectively contributed to the de-politicization of the society: people sat at home and gawked at dance-music festivals and ice-skating championships). The selection of goods increased . . . 18

Seen in this way, abundance starts to look like the price of silence, and vice versa. Krisztina Fehérváry, in her examination of consumerism's centrality to the "normal" nature of post-socialist Hungarian life, confirms such judgments of Kádárist policy, noting that consumption opportunities were critical to the restoration of the "normal" in post-1956 Hungary as well. "Attempting to appease a hostile populace," she writes, "the government prioritized improving standards of living by increasing production of consumer goods and housing in exchange for political acquiescence." 19 And Mark Pittaway, one of the most careful and sensitive observers of these aspects of life in Hungary after socialism, finds strong evidence that the "ability to deliver the goods, to offer the promise of a socialist consumerism" was a key element of what he argues were critical (and largely overlooked) processes of "bottom-up negotiation of legitimation in Central and Eastern European societies" in the socialist period. 20

The Hungarian case, with its fairly clear shift to palliative pro-consumer policies in the wake of the failed 1956 revolution, offers perhaps the most obvious suggestion of a *quid pro quo* and the clearest example of the kind of contractual relationship that has been suggested. Whether the deal that Hungarians (and others) arguably made was a *good* one, of course, depends on a set of judgments that take us quickly beyond the historiographical and into the normative world of the moral and the political, and likewise into the still-volatile arena of post-communist wrong-righting and score-settling and the memory projects that play into the new political conflicts in subtle and not-so-subtle ways.

But in any case, there is now a growing collection of contemporary East European social critics who in retrospect, like György Báron, view the rise of a potent mass consumer culture as a central element in the tragedy of the socialist venture. And so the nature of the communist-era social contract has become (as contemporary moral questions often do) a guiding concern in the interpretation of the communist past, with a perhaps inevitable spillover into the professional historiography of state socialism and of Eastern Europe and the Soviet Union more generally.

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21 As explored in other parts of my broader research project on the comparative dynamics of socialist consumerism, these and other nostalgic memories of a communist Good Life have lately inspired a number of barbed anti-socialist counterhistories. For an attempt to remind Hungarians of the repressive apparatus obscured by the beckoning storefronts, see, e.g., István Simon and Károly Szerencsés, *Azok a kádári "szép" napok: dokumentumok a hetvenes évek történetéből* [Those "Beautiful" Days under Kádár: Documents from the History of the 1970s] (Budapest: Kairosz, 2004). On the importance of consumption to the historical memory of the GDR, see the elegant study by Paul Betts, "Twilight of the Idols: East German Memory and Material Culture," *Journal of Modern History* 72 (September 2000): 731-765. And for an anti-nostalgic counterhistorical salvo that suggests the connections between political repression and the familiar East German totems of material comfort, see the center-right web site
Motivations of Socialist Leaders

Against the idea of a cynical, calculated effort to dampen the desire for democratic participation, we have to consider the extent to which the pro-consumption policies of the postwar period reflected a rather more genuine desire to raise living standards broadly across the society, to the ultimate benefit of the working class and the peasantry. Instead of some deliberate buy-off, the authorities' moves would seem, from this different perspective, a more straightforward and innocuous effort to give working people their just rewards. Certainly the diversion of resources away from the capital-intensive buildup of heavy industry and toward consumption aims could be described by communist leaders as precisely that.

It is in this spirit, for example, that we see Yugoslavia's Josip Broz Tito insisting that "the generation which is alive right now and which is building a new society with its efforts must enjoy the fruits of its labor, not just some distant, future generations." And though the Soviets could never manage to deliver on their assurances of a "radiant future" to even those "distant, future generations," it may be appropriate to treat their promises in this light: a better life, understood first and foremost in reliably Marxist material terms, was to be the payment for the long sacrifices of building socialism. In other words, we need to recognize that as the material capacities of the socialist societies grew in the aftermath of World War II, there was an eminently natural logical and ideological connection to the pursuit of consumer abundance, even if it turned out that the game had to be played largely on the terms that the economic "miracle" of the postwar West had established. The effort to generate real consumer satisfaction may thus be given a surprising, somewhat contrarian reading as a principled extension of Marxist doctrine to

22 Josip Broz Tito, quoted in Franc Šetinc, Šmo potrošniška družba (Ljubljana: Zveza delavskih univerz Slovenije/Dopisna delavska univerza Univerzum, 1980), 64.
new circumstances.

In the end, the indisputable excesses (and, yes, crimes) of the communist regimes may have made it too tempting to dismiss as cynical and ephemeral what was arguably a genuine and longstanding desire to honor labor. Our conceptualization of postwar socialist consumption, and of the course and consequences of the long effort at building and rebuilding that commenced after 1945, needs to acknowledge that danger. The alternative understanding of the new consumerist policies as "just rewards" requires us to take the nearly-always disquieting tack of accepting the communists more or less at their word; it underscores the putative innocence of their actions and the transparency of their statements, and it negates any alleged deeper, darker purpose.

To be sure, this approach to the historical record still leaves us with a contract, a deal with the masses, but it is a very different kind of contract. It reflects something rather different from a Faustian bargain, and critically, it appears as an exchange negotiated on very different terms and performed in a very different sequence. Not only was the decision to shift benefits to worker-consumers justified, in this view, but the rewards in question were just that: merely recompense for good work already done, offered after the fact in fulfillment of the communists' pact with their peoples.

Framing the relationship in this way, as was repeatedly done in the public rhetoric of East European socialism, has the important analytical effect of ending this particular state-society transaction with the delivery of the consumer goodies: while there may well be the unstated promise of future rewards for future hard work, the arrangement is not explicitly conceived of as one that entails later obligations from the populace (and much less as one that implicitly requires a future acquiescence in subjugation). If it may be fairly understood in such terms, the
consumerist shift of the later postwar period thus begins to look less like some radical (desperate?) bargaining maneuver, or a drastic, forced revision of the terms of a pre-existing arrangement between state and citizens, and more like a move toward accelerating the delivery schedule on an obligation that the state-socialist governments had envisioned from the start.

At this point a word of caution is in order, however. Leaving aside the (important) issue of the communists' intent in developing consumer-friendly policies, there is much to be lost in understanding the relationship in question as one in which the benefits enjoyed by worker-consumers were the material manifestations of an essentially unilateral move on the part of state and party officials, bestowed, as it were, on more or less passive, unchallenging, and powerless recipients. These may have been just rewards, but they were not only "rewards."

This observation is not meant to stoke the debates, to my mind too often underproductive, about the dispersal of historical agency and the over-rigidity of the state-society distinction. For Marxist-Leninist societies, at least, there is no serious danger of making "the state" disappear. Under state socialism, governments maintained barriers against citizen participation that were quite real, and considerably less fluid and permeable than the lines of division in liberal democracies, where the state-society distinction makes (perhaps) less sense, or does so less reliably. In the communist context, the very category “citizen” may indeed require a rethinking that sets it apart in fundamental ways from the terms and practices of the West. Moreover, the agency of ordinary citizens was limited in ways so important and so real that to place too much emphasis on their state-resisting power and creative initiative runs the risk of insulting their experience of oppression (as, in fact, some of those who have lived through communism take offense today when they encounter this tendency in progressive Western historiography).

That much said, a more careful reading of the interplay between the desires of consumers
and the aims of policymakers does suggest that worker-consumers were very active participants in a complex, ongoing social negotiation over the further development of communist policy. However we are to best understand the exchange between state and society, it was certainly not what would be called in legal parlance a "contract of adhesion," i.e., a take-it-or-leave-it deal that is essentially forced on one, much weaker, contracting party. (Think here of the standard credit card or rental car agreement, which is not subject to any meaningful negotiation with regard to its specific terms. The only remedy is to forsake the transaction altogether and walk away, and walking away was not an option for citizens of state-socialist countries.) My study of the problem of socialist consumption both "from above" and "from below" in Hungary, Yugoslavia, and the GDR suggests that ordinary consumers actually had plenty to say on the subject of their present and future well-being, and the evidence indicates that the state and party took both their interests and the expression of their attitudes increasingly seriously, especially during and after the 1960s. (The precise periodization of the shift varies, understandably, with the internal political and economic dynamics of a given society.)

It therefore does make a good deal of sense, ultimately, to think of the interchange over consumption policy in transactional, even contractual terms. Of course, the notion of the social contract has always been a metaphor, brought to life either less or more concretely depending on the circumstances of the societies, and regimes, in question. Yet even the peculiar conditions of Marxist-Leninist governance may not stretch the metaphor too far. There were obvious limits to the negotiating room permitted in the state-socialist version of the contrat social. Plainly, whether the communists would govern was not subject to dispute. But how they would do so actually does appear to have been on the table.

Sociologists and political scientists were once especially keen to this insight, grounded in
the theoretical as it is. It is from this perspective, for example, that we find Stephen White in 1986 taking the existence of some sort of essential bargain for legitimacy -- variously termed a "social contract," a "social compact," or a "social compromise" -- as a reliable, given feature of the encounters between all of the state-socialist regimes and their citizens. In this social-scientific formulation, the communists’ “social compact” was said to entail “the surrender of a wide range of political liberties, such as competitive elections and an independent press, in return for a range of socioeconomic benefits, such as comprehensive social security, full employment, stable prices, easygoing industrial discipline, and steadily increasing living standards.” At that particular historical juncture in the mid-1980s, of course, the persistence of authoritarian regimes of a variety of types, not just communist, was a major academic concern, and the legitimacy literature reflected those worries. For the state-socialist variants of authoritarianism, at least, the answer usually seemed to lie in the realm of the material.

With the collapse of communism and the seeming triumph of liberalism, political scientists hastened on from red threats to greener pastures, and that body of scholarship, and even its underlying question, tended to wither away. Among historians, the lack of interest in such questions has been even more noticeable. The question of legitimacy, and how it was


24 White, "Economic Performance and Communist Legitimacy," at 468. White further observed that there was "every reason, at least on the face of it, to expect this economic slowdown [of the late 1970s and early 1980s] to have serious consequences for the social compact or for the . . . politico-economic equation upon which, it has been argued, the regimes' legitimacy has been based." Ibid. But he concluded, interestingly, that communist authorities had and likely still could find sufficient means of adapting, of building legitimacy through other means -- largely by reaching out in other (still fundamentally non-democratic) ways to incorporate broader social groups into party activities and the spheres of party concern.
established, is not now a dominant theme in the professional historiography of Eastern Europe, if indeed it ever occupied such a privileged place. (There are, however, some signs of a new and interesting revival, one that would re-focus our inquiry away from the past's more pure concern with "high" politics.)

The inattention to such problems has been compounded of late by a marked shift in historiographical focus to the social, the cultural, and the everyday -- a trend in which I am a happy and (largely) unapologetic participant. But something of the old ways needs to preserved here: the metaphorical (or not-so-metaphorical) “contracts” and the ways in which they were made and performed were, I believe, critically important, for they mattered in both high politics and the realm of the everyday. Consumption, both as a matter of policy and as a matter of lived experience, was where high politics met citizen expectations, where the arrangement lived or died. And it is here that the value of a new historiographical initiative might lie.

**Societal Responses**

But the bargain was a hard one -- hard to understand, and hard on its participants. For the communists, it was difficult to accept, difficult to construct, difficult to negotiate, and difficult to fulfill. And for their peoples, it proved difficult, too, albeit for different reasons. First, there are good reasons to believe that for many of the regimes involved, the idea of a reorientation of priorities to the consumer sector proved very hard to swallow. On this particular count, much of the most probative evidence is likely still to be examined, in the party archives of the various socialist states. Particularly with regard to the troublesome issue of the communists’ state of mind in opting for a consumerist direction – a diabolical ploy? or just rewards? – it has been and may well remain difficult to establish any conclusive answer.
A “smoking gun” may never be forthcoming; my research thus far in the Yugoslav collections has yet to uncover anything of the sort, and even the evidence for the seemingly-clear Hungarian case deserves further questioning. But the archives and other sources do reveal, over and over again, an abiding awareness of the need to raise living standards, diversify consumer offerings, spur sales, and meet public demand.

In addition, a good deal is already known about the high-level debates over economic policy, and some of the texture of the internal conflict over a perceived imperative for a social compact can be gleaned from that. As Mark Landsman observes, in the GDR,

an unresolved tension persisted between . . . voices arguing for ever-greater productivity in heavy industry and strict modesty in individual consumption, and those calling for a richer, more-developed set of consumption possibilities. Between the poles of austerity and relative generosity, consumption policy swung back and forth, depending on the amount of pressure at any given moment to address consumer dissatisfaction.25

The Poles, the Hungarians, and the Czechoslovaks were clearly subject to the same sorts of pressures, and when the option for some “new” economic system arrived, it typically came only after much debate, and it had to be defended with much propagandizing after the fact. Even the Yugoslavs, who gained tremendous international prestige (and trading partners, military aid, and foreign credit) as a result of their break with Soviet-style economic orthodoxy, had difficulty relinquishing top-down guidance of the economy. In fact, a tension between planning and the market persisted even after the country’s more dramatic self-management reforms of 1965, and the market never really won out. There, as elsewhere in Eastern Europe, the economy remained subject to the "soft-budget constraints" that János Kornai has identified as a key source of weakness in the socialist system. In other words, unprofitable enterprises could almost always be assured that they would not face the prospect of bankruptcy or otherwise be forced to bring

25 Landsman, Dictatorship and Demand, 11-12.
their costs in line with their revenues. That flexibility made the expensive option for increased consumption somewhat easier to countenance and to put into practice, but substantial resistance remained.

The bargain was a hard one in another sense as well: the “contract” itself proved very difficult to design. Even after the decision in favor of a more (or more or less) consumer-oriented course, communists faced very serious problems in determining just what was to be offered. Compounding these economies’ all-too-apparent difficulties in achieving output goals in any production sector, the isolation of government, party, and enterprise leaders from reliable channels of data about consumer desire tended to deprive the authorities of critical data about the basic terms of the exchange. The continued reliance on top-down economic planning, even after the introduction of some market-oriented reforms, made matters even more difficult. This failure of information threatened to thwart the state-society arrangement from the outset.

There were efforts to cure these defects, to be sure. In particular, the economic elites of many East European states sought to varying extents to adopt, and adapt, the theories and practices of the new discipline of marketing, which contemplated not just the perfection of consumer-targeted advertising messages to spur sales, but also -- and more importantly -- a complementary process of continuous market research designed to establish just what it was, at any given moment, that consumers desired. (The "marketing concept," as developed in the postwar US and Western Europe, envisions the sales relationship not as one of trying to market what the producer makes, but rather trying to make what the consumer wants.) Socialist economic specialists followed the development of marketing with interest and worked to develop

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their own variants, but despite significant developments in many locales, the discipline always remained embattled because of its undeniable capitalist provenance and foundations. And to the extent that market research or other, less exact indicators of consumer preference showed an inclination toward tastes and standards that were identifiably Western, the effort to meet those desires by acknowledging them in the “deal” with citizens ran into sometimes staunch resistance from party leaders and cultural critics, who opposed what they perceived as a drift toward corrupt, capitalist consumerism.

Cultural transfers from outside the socialist sphere, a kind of third-party interference in the terms of the deal, also made the state-society transaction difficult to establish and settle. In the realm of the ideological, Soviet and East European communism had staked out a claim to be, as Victoria de Grazia observes in *Irresistible Empire*, “the leading alternative to the hegemony of American consumer culture for practically the entire period from 1945 to its disintegration in the late 1980s.” In practice, however, Western consumerist values and Western consumer standards proved so hegemonic that they repeatedly intruded into the socialists’ version of an alternative social compact.

Here we have to be careful not to accord too much power to the economy and culture of

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28 For a Hungarian perspective, see, e.g., Gy. Sz., “Piackutatási és Marketing Konferencia,” *Külkereskedelmi propaganda*, nos. 5-6 (1967): 43-46. The ever-aggressive Yugoslavs founded their own Marketing Association, which pressed for the development of the field, and for its influence, in its journal *Marketing*.
29 See, e.g., Karl-Heinz Uhlig, “Keine Aussichten für ein ‘sozialistisches Marketing’: zur Theorie und Praxis des kapitalistischen Marketing,” *Neue Werbung* 22, no. 1 (January 1975): 7-8. “Market research,” as opposed to marketing per se, fared somewhat better, even in more orthodox states such as the GDR.
30 I deal with that resistance, and with the socialist critique of consumerism, at length in my present monograph project on the history of consumer culture in Yugoslavia and in work related to a follow-up comparative project addressing the Yugoslav, Hungarian, Czechoslovak, and East German cases, from which this Working Paper is derived.
the West. While de Grazia’s analysis demonstrates convincingly the effect of American culture on Western Europe, her careful inquiry into the sources basically stops at the borders of the communist world. As a result, the account ends up describing a “transatlantic clash of civilizations” in terms that are in some ways too sharply divisive. The “porcelain whiteness” of the “new material civilization” of the transatlantic West is thus contrasted to the habitual imagery of “the dinginess of state socialism” and to a Soviet Union that is “isolated from the West, impoverished, war-wrecked, a dictatorship obsessed with deploying its centralized plans to catch up with the Western standard of living.”

On the basis of a broad comparative review of the evidence from the East, however, I conclude that the civilizational “clash,” at least over questions of the material, was not quite so severe, and the everyday workings of socialism not quite so grim. State socialism was not nearly as isolated from the West as has been assumed, especially with regard to culture, and mass popular culture more specifically. Moreover, the socialist system did manage to offer its citizens substantial material progress, the end of impoverishment, the healing of wartime horrors, and even occasional flexibility about the paths that might lead to these ends. These were real achievements, and the struggle toward a socialist version of the “new material civilization” was central to them.

In the event, socialist visions of abundance and well-being were not entirely under the sway of the “Irresistible Empire” of American or transatlantic consumer capitalism. Indeed, one of the most instructive points that emerges from a study of the complicated experience of consumerism in the East is just how much potential for push-back the communist system afforded. The construction of a socialist economic camp opened an enormous breach in the

32 Ibid., 10-11.
capitalist world system, and consumerism's empire proved, for a time at least, quite resistible, and in a variety of important ways. That much said, the demonstration effects for the socialist world of American and West European “affluent society” were undeniable, and they ended up shifting the terms of the state-society bargain over consumer welfare in ways that made the communists’ position substantially less tenable.

There was a third critical problem as well: to the extent that the authorities hoped to negotiate an enduring compact with worker-consumers, the modalities of communist governance deprived them of reliable means of doing so. Here again, the leadership faced a hard bargain: they had few good ways of knowing that the "deal" they proposed would be understood, accepted, and honored in practice. Admittedly, the liberal governments of Western capitalism have themselves faced a number of somewhat similar problems due to the imperfect information flows, the aggregation, dilution, and masking of citizen preferences, and other procedural defects inherent in representative democracy. But those governments were not "on the line" to nearly the same extent as their communist counterparts; they had not made themselves directly responsible for delivering individual consumer satisfaction in the same way.

The difference between systems was critical. Democratic governance allows citizens to send direct cues to state actors about the nature and terms of the social contract, and about the state’s performance in living up to its side of the bargain. In contrast, the methods of communist rule and the strictures of the state-socialist media left little scope for the transmission of such direct messages. There were, of course, a number of indirect channels in which citizens’ attitudes could flow and be observed – letters to the party, for example, or surveys of public opinion, which became a critical tool across the region. But these methods communicated a sense of societal values and interests only very imperfectly, and communist leaders often proved
deaf to discontent.

As a result, dissatisfaction could and did boil over unpleasantly, even violently, from time to time. Such unrest did, admittedly, carry a real informational value of its own, and it no doubt had a certain salutary clarifying and focusing effect on policymakers. These sorts of episodes were particularly in evidence in the earlier decades of the postwar period, and they are typically understood, rightly I believe, to have been an essential inducement to the socialist state’s offer of a new social contract grounded in living standards. If anything, though, they only strengthen the more general conclusion that a communist version of the social contract proved extraordinarily difficult to negotiate.

Finally, and most importantly, the bargain was a hard one for communist states to fulfill. Even the more prosperous societies of socialist Europe ultimately failed to meet the terms imposed by consumers. Structural flaws in the functioning of the socialist economies hampered the effort from the start, but even when there were early and genuinely impressive successes in raising living standards, these proved insufficient. The problem was exacerbated by the governments’ efforts to celebrate those successes and promote a culture of consumption in the media, in advertising, and in other sectors of what became, in remarkably short order, a socialist “culture industry” with real similarities to the media machines so derided by the Frankfurt School and other critics of Western capitalism. Socialist consumers, it turned out, were quickly trained to expect more: a constantly-expanding array of goods, services, and experiences, all to be supplied in constantly-increasing quantity and quality. For the socialist system, even with the modest efficiency gains that may have resulted from the imposition of tentative market mechanisms, this abundance proved impossible to deliver over the long term. The problem, in brief, was that the “deal” with the populace was never fixed, finite, and reliable. Consumers
demanded, in essence, a constant renegotiation of the social compact, and an ever-higher price for their cooperation.

**Implications for Understanding Socialist Politics**

All this emphasis on the difficulties facing the state may run the risk of presenting socialist consumers as the privileged parties to the transaction. But in important ways, they faced a hard bargain, too. I am not suggesting, however, that the exchange has to be understood as an exacting one in the ways implied by the social-contract thesis. It is not at all clear, at least at this point in the development of the historiography of socialism, that we must see a bitter abandonment of citizenship as the cost of the comparative tranquility of the last two decades of European communism (with a very un-tranquil Poland as the most glaring exception to that general pattern).

Rather, the trade was a hard one in other, more subtle ways. Insofar as the communist authorities sought quiescence and the continued surrender of democratic-liberal prerogatives of citizen participation, they were loath to do so openly. Instead, state and party messages about social-contractual expectations and demands had to be communicated in a coded bureaucratese. This indirectness left citizens (and leaves historians) wondering about just what the state desired. Ordinary East Europeans also wrestled with other problems in acquiring the basic information needed to construct and ratify the compact: from what they saw in their grocery shops and department stores, they could judge well enough what the state had managed to deliver thus far, but promises about the future were another matter entirely. Communist production schedules were notoriously unreliable, to say nothing of the ever-present one-year and five-year plans. Past failures to make good on prior commitments to improve living standards dramatically and even
to surpass the West left a good deal of justified skepticism among consumers.

The bargain was hard for consumers in another important way as well. Accepting the premise of a social compact centered on consumer satisfaction leaves us with the difficult question of how ordinary socialist citizens could induce the state to perform. Are we to think of worker-consumers as trying to maximize their leverage and their potential returns under the terms of the continually-renegotiated deal? If so, their interests might have been best served by the constant maintenance of a state of discontent just short of unrest, and by the loudest possible airing of that discontent consistent with their own political security. (My research shows that, perhaps surprisingly, socialist consumers were given fairly wide latitude to grumble about their government's failures to deliver in material terms.) This perspective would suggest that communist leaders, noting the high levels of endemic dissatisfaction, would have had an enduring incentive to compensate their consuming publics to the greatest extent possible.

Or should we, in contrast, see worker-consumers as willing to maintain their quiescence as long as some basic minimum threshold of material necessity was maintained? Again, the terms of these putative social contracts remain ill-defined: they were unclear at the time for states and for citizens, and they remain unclear for historians. We therefore need to consider whether socialist populations edged toward the unruly only when living standards became intolerable, or whether their individual and collective demands amounted to a more activist strategy that pressed the state to deliver returns in excess of what would have been the bare contractual minimum. The latter formulation confers much more historical agency on the ordinary members of communist societies, a point that has its appeal to present-day historians, but it may or may not be the more accurate conceptualization. So just how demanding were these consumer-bargainers? That question lies open to future research.
There are other issues at stake as well, and significant problems inherent in the adoption of interpretative schemata rooted in contractual concepts. Most importantly, we need to worry not just about whether the consumerist reorientation was a calculated move against civic engagement in matters political, but just as importantly, about whether it actually had such effects, as the theory supposes. Should we conclude that consumerism supplanted citizenship? And if so, on what evidentiary basis? Problems of proof will be big problems indeed.

These questions of interpretation are especially delicate in the context of state socialism. For the liberal democracies, the terrain is decidedly different: one can argue convincingly that there was no inevitable zero-sum trade-off between the pursuit of consumption and the exercise of citizenship, at least as notions of citizenship are habitually framed in liberal-democratic terms, i.e., as matters of political-legal rights. It has been easy enough, of course, to argue that a delusory, egoistic engagement with the pleasures of consumption has turned citizens of the capitalist West away from a genuine, substantive engagement with the world of the political, thereby vitiating the liberal-democratic concept of citizenship and leaving those hallowed political-legal rights as mere empty shells.

Yet the two domains have not been seen as hopelessly opposed, as the idea of a state-society trade-off, "diabolical" or otherwise, makes them out to be in the case of communism. Lizabeth Cohen is thus able to make a cogent case for the construction of the post-World War II United States as a “Consumers’ Republic,” a fusion of market values and civic values “that entrusted the private mass consumption marketplace, supported by government resources, with delivering not only economic prosperity but also loftier social and political ambitions for a more
equal, free, and democratic nation.” 33 The melding of consumer identity with citizenship is, for Cohen, subject to shifts, changes, and tensions, but her account concludes that the two may be, in American society, conjoined more or less reliably, without the total eclipse of citizenship. The Republic remains a republic.

Citizenship meant something else under state socialism, though what it meant is still not entirely clear. A few things are certain, though. The People's Republics were not republics, and they had at best a very tortuous relationship with their citizens. In many if not most of the states of socialist Europe, "citizenship" and "the citizen" were not favored categories of analysis in public discourse and political culture. Marxism-Leninism may or may not have been, as some have alleged, the demon spawn of the Enlightenment, but whatever the case, the Revolutionary tradition's exaltation of citoyenneté was clearly a trait that failed to pass to that particular descendant.

The social-contract theory of the Enlightenment, on the other hand, may be more useful to the communist context than it appears initially. The latter-day historiographical propensity to insist on the "negotiated" quality of virtually every significant social interaction is now in danger of becoming a cliché, but in the cases at hand it may actually prove quite helpful. By reinforcing a sense of the limited, contingent, and -- dare we say it? -- contractual nature of even authoritarian communist governance, this sort of interpretative approach may go some way toward restoring "the people" to the People's Republics.

Of course, we need to be sensitive to the ways in which transactional theories in general, and the notion of a social compact in particular, may work to obscure rather than to illuminate. Yet there is a great deal to be said for this line of analysis. Seen in this way, the process of

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33 Lizabeth Cohen, A Consumers’ Republic: The Politics of Mass Consumption in Postwar America (New York:
belonging in state-socialist societies becomes, if not precisely Ernest Renan's "everyday plebiscite" of national identification, then at least something very much like an everyday bargain: a repeated ratification of an obscure but still meaningful social contract, an expression of consent to the terms of governance if not the identity of the governors themselves, and an acceptance of, or at least acquiescence in, the new and more limited understanding of "citizen" that the state-socialist systems had sought to cultivate.