

# Did the Transformation to Post-Communism in Eastern Europe Restore Pre-Communist Property Relations?

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Using data from Szelenyi and Treiman's 1993 six-nation survey of Social Stratification in Eastern Europe, we find that the transformation from socialism substantially restored pre-communist property relations in the five Eastern European countries studied here (Bulgaria, the Czech Republic, Hungary, Poland, and Slovakia). Continuity between the pre- and post-communist period with respect to property ownership can be attributed mainly to property holdings either remaining intact throughout the communist period or to the restitution of property to the original owners, or their heirs in the post-communist period. In regard to business ownership, there is evidence of indirect transmission through achievement of high occupational status during the communist period by the children of pre-communist property holders. Business ownership in post-communist Eastern Europe is linked directly to pre-communist property holding only in Hungary and Bulgaria.

## Introduction

There is a lively debate among students of social stratification and social mobility as to how the political and economic regime of a nation affects who gets ahead and who is able to pass their socioeconomic advantages on to their children. There are, of course, some obvious cases where institutional arrangements matter a great deal. South Africa comes to mind as a political system that until very recently was self-consciously organized to advantage the white minority at the expense of the majority of the population (Lapping, 1987; Thompson, 1990). The People's Republic of China is another case in point, with an extended history of state control of educational and occupational opportunities, particularly during the Cultural Revolution (Unger, 1982; Deng and Treiman,

1997). But such examples are relatively rare, and the Eastern European case is by no means so obvious – on either theoretical or empirical grounds. While some have argued that in the early days of communism, those with bourgeois backgrounds were actively discriminated against, there is a substantial body of thought, accompanied by many empirical studies, that suggests that the 'distortions' of the Stalinist period were just that – short-lived deviations from a system of status attainment and social mobility that did not differ fundamentally from that of Western countries (Parkin, 1971; Giddens, 1973; Connor, 1979; Lane, 1982).

The theoretical basis for expecting that the stratification system of Eastern European communist societies will tend to be similar to that of Western countries is the claim that the primary process by which individuals achieve high

socioeconomic status in any industrialized society is by getting educated, and hence that the principal way families can pass on their advantages to their children is by ensuring that they are well educated (Treiman, 1970; Treiman and Yip, 1989). The direct inheritance of occupational positions is very limited in modern societies because most jobs are bureaucratically allocated (in the Weberian sense); for the most part, the only positions that can be directly inherited are self-employment in farming, small business, or professional practice. Thus, in most industrialized societies no more than about 10% of the male population does the same work as their fathers (as measured by 3-digit occupation codes) and no more than about 20% are even in the same occupational class (as measured by EGP categories).<sup>1</sup> The direct inheritance of wealth is also very limited, largely because people in modern industrial societies live so long that wealth typically is inherited too late to have much effect on life chances.<sup>2</sup> What families transmit to their children, the argument goes, is mainly ‘cultural capital’ – the sets of cognitive and social skills, knowledge, and motivations that promote school success and promote success in the labor market as well. Insofar as this claim is correct, there is little reason to expect much difference between Eastern and Western Europe in either the extent or pattern of intergenerational mobility.

### Reasons for Expecting a Distinctive Communist Stratification System

However, the counter claim is that even if the dominant pattern of socioeconomic attainment in Eastern Europe is very similar to that of Western industrialized countries, the peculiar features of the Eastern Europe experience have created a stratification and mobility regime that differs in some crucial respects from the stratification system typical of Western nations. In this paper, we address one potentially distinctive feature of the Eastern European experience, the way the transition both *to* and *from* communism affected patterns of property ownership and, in particular, intergenerational transfers. Of special interest here is to determine the extent to which property was restored to pre-communist propertied families after the collapse of communism in 1989.

We do this by exploiting data from the project, ‘Social Stratification in Eastern Europe after 1989’. Six countries were studied: Bulgaria, the Czech Republic, Hungary, Poland, Russia, and Slovakia. In each country a probability sample of about 5,000 members of the general population was surveyed in 1993 (except that the Polish survey was delayed until 1994 and was limited to about 3,500 respondents due to budgetary constraints),

using an essentially identical questionnaire that included extensive questions on the socioeconomic characteristics and property ownership of respondents, their parents, and grandparents.<sup>3</sup> The present analysis excludes Russia since private ownership of land or businesses was abolished in the 1920s and 1930s (Riasanovsky, 2000), too early for questions even about grandparents’ property ownership to be relevant for most respondents.

Two distinctive features of the Eastern European communist experiment are worthy of note.

First, at the time of the transition *to* communism there was substantial state intervention in the stratification system, of three kinds.

- (i) A great deal of private wealth was taken over by the state. As we see from Table 1, many people in Eastern Europe (22–39% of the parents and 18–41% of the grandparents of our 1993<sup>4</sup> respondents) owned land in 1948, just before the communists came to power, and a few owned businesses.<sup>5</sup> Except for Poland, land was confiscated from a sizable fraction – at least one third of the land-owning population, and as high as 69% of land-owning parents in Hungary (Table 2). Among the new communist regimes, Poland was the only one that did not collectivize agriculture.<sup>6</sup> Businesses also were removed from private ownership; except in Poland, more than 18%, and as high as 54%, of business-owning parents and grandparents had their businesses ‘confiscated’.<sup>7</sup> By contrast to land and businesses, relatively small numbers of parents and grandparents had their houses and apartments confiscated – well under 10% and usually less than 5%.
- (ii) Some people (particularly those who were hostile to the new regime, or were of dubious loyalty), lost their jobs and had to take less desirable jobs; and others did better in the new regime. Table 3 shows a cross-tabulation of the occupations of fathers of respondents in 1952 by their occupations in 1948. Again, we tabulated the data for fathers rather than for respondents because relatively few respondents were old enough to have jobs in 1948. Here, we combined all five countries to get an overall sense of the kinds of changes that took place in Eastern Europe in consequence of the transformation *to* communism (for more detailed analyses of the effect of this transition on intergenerational mobility patterns, see Domanski, 1998, 1999; Wong and Treiman, 1998). There is a lot of movement in this table, considering that it covers only a four year period. Fully 20% shifted occupation categories

**Table 1** Per cent<sup>a</sup> owning various forms of capital, by country

|  | Bulgaria | Czech R.          | Hungary | Poland  | Slovakia          |
|--|----------|-------------------|---------|---------|-------------------|
| <i>Respondent/spouse in 1993: per cent owning:<sup>b</sup></i> |          |                   |         |         |                   |
| House/apartment  | 72.0     | 40.2              | 75.6    | 42.6    | 49.7              |
| Land   | 25.1     | 12.7              | 20.1    | 31.2    | 14.9              |
| Vacation cottage   | 8.6      | 14.5              | 8.4     | 2.4     | 6.5               |
| Other real estate  | 6.6      | 5.2               | 5.4     | 4.4     | 5.6               |
| Business <sup>c</sup>  | 1.6      | 2.2               | 1.5     | 3.1     | 1.8               |
| Motor vehicle  | 36.0     | 54.4              | 44.7    | 45.7    | 43.9              |
| Stocks & bonds   | 1.0      | 11.5 <sup>d</sup> | 7.7     | 7.0     | 25.8 <sup>d</sup> |
| <i>Parents in 1948: per cent owning:</i>                       |          |                   |         |         |                   |
| House or apartment   | 41.7     | 33.9              | 41.9    | 15.6    | 42.1              |
| Land   | 39.3     | 22.4              | 34.5    | 29.6    | 35.6              |
| Business   | 5.3      | 5.7               | 4.4     | 2.3     | 3.4               |
| <i>Paternal grandfather in 1948: per cent owning:</i>          |          |                   |         |         |                   |
| House or apartment   | 44.7     | 27.1              | 39.0    | 35.6    | 43.8              |
| Land   | 41.0     | 18.2              | 26.5    | 31.8    | 36.1              |
| Business   | 5.9      | 5.5               | 4.0     | 2.2     | 4.2               |
| <i>Maternal grandfather in 1948: per cent owning:</i>          |          |                   |         |         |                   |
| House or apartment   | 41.7     | 28.0              | 42.6    | 40.6    | 46.3              |
| Land   | 41.3     | 20.0              | 31.5    | 36.5    | 37.9              |
| Business   | 5.9      | 5.8               | 4.1     | 2.6     | 4.5               |
| Number of cases  | (4,906)  | (5,607)           | (4,221) | (3,518) | (4,844)           |

<sup>a</sup>The percentages are computed from all cases in each sample. Non-responses (which are substantial for parents and grandparents) are treated as negative cases, on the ground that if people did not know whether their parents or grandparents owned property, any possible ownership was of no value to them.

<sup>b</sup>For all countries but Poland, the item refers to 1993; for Poland, the question refers to 1994.

<sup>c</sup>Percent self-employed with employees.

<sup>d</sup>The high rate of ownership of stocks and bonds in the Czech Republic and Slovakia is a result of the voucher privatization program, which began in 1992 and gave to each citizen vouchers that could be sold or converted into shares in the large fraction of state enterprises that were privatized (Martin Kreidl, personal communication). Ownership of such shares probably peaked in the mid-1990s, judging from the fact that Vecerník and Mátěju (1999, 73) report that 70% of the Czech population owned stocks and bonds in 1996, 64% in 1997, and 53% in 1998.<sup>n</sup>

**Table 2** Per cent distribution of property confiscation, restoration, and distribution, by country (percentage bases in parentheses)

| Per cent with property confiscated                               | Bulgaria    | Czech Rep.  | Hungary     | Poland      | Slovakia    |
|--|-------------|-------------|-------------|-------------|-------------|
| <i>Parents (property owned in 1948)</i>                          |             |             |             |             |             |
| House/apartment  | 1.9 (1960)  | 6.6 (1813)  | 5.2 (1747)  | 2.7 (544)   | 3.0 (2066)  |
| Land   | 36.4 (1851) | 57.1 (1164) | 69.0 (1425) | 7.6 (1094)  | 56.7 (1774) |
| Business   | 18.3 (257)  | 53.7 (347)  | 35.1 (193)  | 18.4 (82)   | 43.7 (163)  |
| <i>Paternal grandfather (property owned in 1948)</i>             |             |             |             |             |             |
| House/apartment  | 1.6 (2284)  | 4.9 (1448)  | 3.9 (1665)  | 1.4 (1228)  | 2.4 (2180)  |
| Land   | 38.5 (2113) | 57.1 (966)  | 36.5 (1127) | 3.8 (1097)  | 53.1 (1814) |
| Business   | 25.1 (313)  | 39.8 (315)  | 30.8 (177)  | 8.6 (71)    | 36.6 (200)  |
| <i>Maternal grandfather (property owned in 1948)</i>             |             |             |             |             |             |
| House/apartment  | 1.8 (2128)  | 5.8 (1509)  | 4.8 (1813)  | 2.5 (1406)  | 2.3 (2310)  |
| Land   | 39.6 (2108) | 54.0 (1088) | 39.4 (1338) | 3.2 (1264)  | 52.6 (1908) |
| Business   | 22.8 (311)  | 42.2 (351)  | 35.5 (182)  | 12.7 (89)   | 41.8 (211)  |
| Received compensation ticket after 1989 (anyone in family)       | 7.0 (4906)  | 9.9 (5607)  | 29.2 (4221) | 3.8 (3518)  | 8.3 (4844)  |
| Received land in post-war land redistribution (anyone in family) | 4.8 (4906)  | 5.1 (5607)  | 19.6 (4221) | 13.3 (3518) | 4.0 (4844)  |

**Table 3** Father's occupational class (EGP) in 1952 by father's occupational class in 1948, all five countries combined

| Father's EGP<br>Category in 1952 | Father's Occupational Class (EGP Category) in 1948 |       |       |       |       |       |        |        |        |        | Total   |
|----------------------------------|--|-------|-------|-------|-------|-------|--------|--------|--------|--------|---------|
|                                  | I  | II    | III   | IVa   | IVb   | V     | VI     | VIIa   | IVc    | VIIb   |         |
| I: High Prof, Exec.              | 85.0   | 6.2   | 3.7   | 3.5   | 1.7   | 1.7   | 1.0    | .7     | .2     | .1     | 4.1     |
| II: Low Prof, Exec.              | 5.8  | 71.6  | 6.5   | 1.4   | 1.7   | 2.4   | 1.4    | .9     | .4     | 1.0    | 5.4     |
| III: Routine nonmanual           | 2.2  | 5.4   | 76.5  | .6    | 2.8   | 1.2   | 1.2    | 1.1    | .5     | .7     | 4.4     |
| IVa: Small employers             | 0  | 0     | 0     | 50.4  | .2    | 0     | .1     | 0      | 0      | .2     | .7      |
| IVb: SE w/o employees            | 0  | .2    | .9    | 4.9   | 59.1  | 0     | .4     | .3     | .4     | .1     | 2.4     |
| V: Manual supervisors            | .8   | 1.9   | 0     | 18.7  | 2.4   | 81.4  | 3.4    | 1.1    | .2     | .2     | 3.4     |
| VI: Skilled manual               | .1   | 3.3   | 2.9   | 14.2  | 14.6  | 8.6   | 83.9   | 4.1    | 2.4    | 3.4    | 15.9    |
| VIIa: Unskilled manual           | 4.0  | 9.3   | 7.3   | 4.2   | 9.0   | 4.2   | 6.5    | 87.2   | 4.4    | 6.8    | 23.7    |
| IVc: SE Farmers                  | 1.1  | .7    | 1.0   | 1.4   | 1.8   | .4    | .8     | 1.2    | 75.1   | 4.4    | 21.1    |
| VIIb: Agric. laborers            | 1.0  | 1.3   | 1.3   | .6    | 6.6   | 0     | 1.2    | 3.4    | 16.3   | 83.0   | 19.0    |
| Total                            | 100.0  | 99.9  | 100.1 | 99.9  | 100.0 | 99.9  | 99.9   | 100.0  | 99.9   | 99.9   | 100.1   |
| N                                | (422)  | (635) | (471) | (132) | (359) | (284) | (1592) | (2191) | (2656) | (1606) | (10348) |
| Pct. upwardly mobile             | —  | 6.2   | 10.2  | 5.5   | 6.4   | 5.3   | 7.5    | 8.2    | 8.5    | 16.9   | 9.1     |
| Pct. non-mobile                  | 85.0   | 71.6  | 76.5  | 50.4  | 59.1  | 81.4  | 83.9   | 87.2   | 75.1   | 83.0   | 79.9    |
| Pct. downwardly mobile           | 15.0   | 22.1  | 13.4  | 44.0  | 34.5  | 13.2  | 8.5    | 4.6    | 16.3   | —      | 11.0    |

Full category names: I: Higher professionals and executives, large employers. II: Lower professionals and executives. III: Routine non-manual. IVa: Small employers. IVb: Self-employed workers without employees. V: Manual supervisors. VI: Skilled manual workers. VIIa: Semi- and unskilled manual workers in industry. VIIb: Agricultural laborers. IVc: Self-employed farmers. For definitions and coding conventions, see Erikson and Goldthorpe (1992, 35–47); Ganzeboom et al. (1992); Ganzeboom and Treiman (1996).

between 1948 and 1952. Small employers were of course most likely to change occupations, since self-employment was substantially suppressed during the early communist years (see note 7); about half of small employers shifted to various categories of wage or salaried employment and nearly 90% of those who changed categories were downwardly mobile, moving into manual jobs. A similar pattern held for self-employed workers without employees. But the transformation to communism produced downward mobility in general – seven of the eight categories that could experience either downward or upward mobility had more downward than upward mobility, and about 55% of those who changed categories were downwardly mobile.<sup>8</sup> Only semi- and unskilled manual laborers were more likely to be upwardly mobile than downwardly mobile.<sup>9</sup> By contrast, between 1952 and 1963, a period nearly three times as long,<sup>10</sup> only 27% shifted categories and there was more upward than downward mobility (53% of those who shifted categories were upwardly mobile). The predominance of downward mobility is not typical of capitalist countries either. For example, König and Müller (1986: 88) show that over a five year

period (from 1965 to 1970) there was more upward than downward mobility in both France and Germany. Similarly, Haller *et al.* (1985: 589), in a comparison of Austria, France, and the USA, find much more upward than downward mobility between the first job and the job held by men when they were surveyed. Because the general tendency is for workers (at least male workers) to secure *better* jobs as their careers progress, the downward shift accompanying the transformation to communist regimes is quite remarkable.

- (iii) Upon seizing power, communist governments in eastern Europe immediately adopted a set of policies to equalize educational opportunity. These policies can be divided into two categories: those that expanded educational opportunities for the working and peasant classes and those that restricted educational opportunities for members of the upper classes. Scholarly attention has tended to focus on the latter. Researchers frequently cite the implementation of class-based quotas reserving one-half or more of the seats in academic institutions to students from working-class and peasant backgrounds (Robert, 1991; Heyns and Bialecki, 1993; Szelenyi and Aschaffenburg, 1993). These

quotas remained officially in place until the early 1960s, but many observers have argued that they were not strictly enforced after the death of Stalin in 1953, when a noticeable thaw in the stance of the party began to occur (Simkus and Andorka, 1982; Rothschild, 1993). Furthermore, the educational system was expanding rapidly during this period, and in the context of a rapidly expanding educational system, the presence of official quotas may not have represented a serious obstacle to upper-class entry into academic institutions. In fact, both Simkus and Andorka (1982) and Hanley (2001a) found that the effect of social origins on the odds of making the transition into secondary and tertiary institutions did not change noticeably in either Hungary or Czechoslovakia after the Communist seizure of power.

Second, in the *post-communist* regime there also was state intervention in the stratification system in the form of laws restoring confiscated property to its former owners or their heirs. Only in Poland was there no systematic effort to compensate the owners of nationalized state property, in part because agricultural property was not collectivized during the state socialist period and there was therefore less demand within Poland for the restitution of property to pre-war owners. In Hungary, compensation has been only partial. For the most part, the Hungarian government did not return nationalized property, most of which involved land forcibly collectivized in the 1950s, to previous owners. Instead, the government issued compensation tickets that could be used to bid for land in auctions sponsored by agricultural cooperatives or to acquire shares in state enterprises listed on the Budapest Stock Exchange. Reliance on vouchers rather than the return of real property resulted in individuals receiving far less than full market value for the property that they and their families had lost during the communist period (Frydman *et al.*, 1993; Earle *et al.*, 1994).

In the remaining three countries actual property has been restored to the families of former owners and, when this has not been possible, compensation has been paid. For example, in Czechoslovakia, public pressure forced the first post-communist government to institute a sweeping restitution law that returned or provided compensation for property nationalized after 1948 to its previous owners or their descendants. The properties affected included small businesses, industrial enterprises, multifamily housing, and agricultural cooperatives in those cases in which title was taken from former owners. Due to the peculiarities of collectivization policies in Czechoslovakia, most land owners retained title to the land that they

contributed to agricultural cooperatives. By the end of 1993, restitution was largely complete for non-agricultural properties but not yet complete for farms and forests (Frydman *et al.*, 1993; Earle *et al.*, 1994; Strong *et al.*, 1996).<sup>11</sup>

As in Czechoslovakia, laws passed in Bulgaria in the early 1990s entitled those who lost urban and agricultural property through Communist seizures, or their heirs, to seek restitution. Progress on urban properties was relatively quick, with almost 60 percent of urban properties claimed having been restituted by June 1993 (Strong *et al.*, 1996). Restitution of agricultural lands progressed more slowly due to difficulties in verifying titles and the failure to dismantle collective farms, which continued to own assets vital to agricultural production. For these and other reasons, as of August 1992 only 50% of the former owners had applied for restitution and only 10% of nationalized land had been returned (Earle *et al.*, 1994).

If the restitution laws were effective, we would expect those whose families had property in 1948 to be more likely than others to have property in 1993.<sup>12</sup> This turns out to be so, although the associations are fairly modest. Table 4 shows the percentage owning various kinds of property in 1993, depending on the extent of family property ownership in 1948. Consider home ownership. In each of the five nations the proportion owning their own home in 1993 is higher when the parents owned a house in 1948 than when the parents and grandparents owned no property in 1948, although the difference is only substantial for the Czech Republic (42% vs. 28%). The pattern with respect to land ownership is similar, but the differences are somewhat larger – in all five nations, the descendants of former land owners were at least twice as likely to own land in 1993 as were the descendants of those who owned no property. In general, other forms of property holding in 1993 also reflect differences in the extent of 1948 property. Thus, we can conclude that there was at least modest continuity from the pre-communist to the post-communist period with respect to family property holding.

## Determinants of Property Holding in 1993

Of course, this result could arise in a number of different ways. There are three basic possibilities:

- (i) Family property holdings may have remained intact throughout the communist period.
- (ii) Those whose families owned property prior to the communist period may have had it restored.

**Table 4** Percentage owning various forms of property in 1993 by family property ownership in 1948, separately for each country

|                       | Property owned by parents or grandparents in 1948 |            |                   |          |
|-----------------------|---|------------|-------------------|----------|
|                       | None  | House only | Land, no business | Business |
| <i>Bulgaria</i>       |   |            |                   |          |
| House/apartment       | 62.5  | 70.0       | 76.1              | 72.2     |
| Land                  | 13.6  | 14.3       | 30.4              | 28.1     |
| Business              | 1.4   | .9         | 1.5               | 2.5      |
| Other property        | 2.9   | 4.5        | 7.8               | 9.3      |
| Stocks and bonds      | .8  | .2         | 1.1               | 1.6      |
| Motor vehicle         | 26.0  | 32.5       | 39.3              | 40.9     |
| Compensation ticket   | 2.3   | 3.9        | 8.1               | 11.3     |
| N                     | (1,052)   | (370)      | (2,728)           | (756)    |
| <i>Czech Republic</i> |   |            |                   |          |
| House/apartment       | 28.3  | 41.5       | 50.1              | 45.6     |
| Land                  | 5.3   | 6.9        | 21.2              | 16.5     |
| Business              | 1.9   | 1.8        | 2.2               | 3.2      |
| Other property        | 2.6   | 4.6        | 5.6               | 10.8     |
| Stocks and bonds      | 9.3   | 11.9       | 11.5              | 16.9     |
| Motor vehicle         | 49.0  | 54.9       | 57.4              | 60.3     |
| Compensation ticket   | 3.2   | 5.3        | 15.8              | 16.8     |
| N                     | (2,161)   | (742)      | (1,825)           | (879)    |
| <i>Hungary</i>        |   |            |                   |          |
| House/apartment       | 63.6  | 74.9       | 80.5              | 75.5     |
| Land                  | 11.0  | 10.6       | 26.4              | 20.5     |
| Business              | .6  | 1.4        | 1.5               | 3.2      |
| Other property        | 3.2   | 4.9        | 5.9               | 8.0      |
| Stocks and bonds      | 7.5   | 4.9        | 8.0               | 10.2     |
| Motor vehicle         | 37.3  | 41.3       | 45.8              | 57.9     |
| Compensation ticket   | 12.8  | 18.9       | 37.2              | 35.7     |
| N                     | (847)   | (680)      | (2,203)           | (491)    |
| <i>Poland</i>         |   |            |                   |          |
| House/apartment       | 28.6  | 36.7       | 48.2              | 52.7     |
| Land                  | 16.8  | 19.4       | 38.5              | 34.0     |
| Business              | 2.8   | 3.7        | 2.7               | 6.8      |
| Other property        | 2.6   | 6.2        | 4.3               | 9.8      |
| Stocks and bonds      | 5.8   | 8.1        | 6.7               | 13.5     |
| Motor vehicle         | 38.0  | 48.4       | 47.6              | 55.2     |
| Compensation ticket   | 1.4   | 4.6        | 4.5               | 5.8      |
| N                     | (887)   | (268)      | (2,137)           | (226)    |
| <i>Slovakia</i>       |   |            |                   |          |
| House/apartment       | 36.0  | 42.9       | 57.1              | 43.6     |
| Land                  | 6.5   | 6.0        | 19.3              | 17.6     |
| Business              | 2.0   | 1.4        | 1.8               | 2.0      |
| Other property        | 2.9   | 5.7        | 6.2               | 7.8      |
| Stocks and bonds      | 18.0  | 25.8       | 27.6              | 31.1     |
| Motor vehicle         | 37.8  | 41.9       | 44.8              | 53.6     |
| Compensation ticket   | 2.8   | 4.6        | 9.4               | 17.0     |
| N                     | (920)   | (566)      | (2,858)           | (500)    |

<sup>a</sup>The typology used here is created by distinguishing those whose parents or grandparents owned no property in 1948; those with a house only, but no land or business; those with land but no business, regardless of whether they owned a house (except for Poland, where 26% of land owners owned no home, no more than about 10% own land but no home); and those who owned a business, regardless of whether they owned land or a home.

- (iii) Those from pre-communist property-holding families may have achieved high-status occupations during the communist period and, by virtue of their occupational status, may have acquired property either during the communist period or subsequently, by exploiting the new opportunities of the post-communist era. In a similar way, if communist party membership enhances the odds of post-communist property holding, and if the children of the pre-communist propertied classes were disproportionately *likely* to become party members – against ideology but in keeping with party membership as an important route to success – continuity in property holding could be indirect, with status during the communist period the intervening link.

Unfortunately, our data are not adequate to permit us to definitively decide among these possibilities, since the surveys failed to solicit information about the extent of property holding by respondents *during* the communist period. However, we can narrow down the range of possibilities. In particular, we can assess whether the third explanation is important. We do this by predicting the odds of holding property in 1993 – owning one's own residence, owning land, owning a business (defined as being self-employed with employees), and owning other real estate, apart from a vacation home) – in two ways: from the extent of 1948 family property holding (whether the parents or grandparents owned, respectively, a house, land, or a business in 1948) plus controls for size of place of residence in 1993 and age (Model 1); and from these variables plus the respondent's occupational class in 1988 and whether the respondent was a member of the communist party in 1988 (Model 2). For each model we estimate four binomial logistic regression equations, where in each case the dependent variable is the log odds of having a given kind of property in 1993.<sup>13</sup>

The occupational class categories (a six-category version of the EGP scheme plus an extra category to identify those not in the labor force) are used as indicators of the socioeconomic position of respondents at the end of the old (communist) regime. Although many of those at the very top of communist-era institutions were deposed (mainly forced into early retirement) as a consequence of the regime change (Szelenyi and Szelenyi, 1995), there was hardly massive occupational mobility – most people, even those in professional and managerial positions, retained their jobs (Domanski, 1998, 1999) and the perquisites, including property, that they held before the collapse of communism. Furthermore, a number of

observers have argued that individuals in positions of managerial authority were able to acquire property after the collapse of communism, either through insider information with respect to privatization policies and other aspects of social capital (Staniszki, 1991; Rona-Tas, 1994; Hanley, 2000, 2001b; Rona-Tas and Guseva, 2001) or because of their human capital and other personal qualities (Gerber 2000, 2001). The argument that a large proportion of party officials and enterprise directors in Eastern Europe have acquired ownership rights over economic assets is not, however, universally accepted. Stark (1996), for example, has argued that, rather than acquire *de jure* ownership rights, the directors of large enterprises in Eastern Europe have established an ambiguous property-rights structure based on institutional cross-ownership which has allowed them to retain effective control over economic assets while enjoying a number of additional advantages, an argument further developed by Eyal *et al.* (1998) in their book, *Capitalism without Capitalists*. Because the debate on cadre advantages in Eastern Europe is far from over, we include measures of both occupational class and party membership to examine the possibility that continuity in property-holding was indirect, with political and socioeconomic status during the communist period serving as the intervening link.

There are two sets of additional variables in the models: age and a set of dummy variables measuring size of place of residence. These variables are introduced simply as controls, to clarify the interpretation of the variables of substantive interest. It is likely that both land holding and residential ownership is more common among those living in rural areas, and property holding of all kinds tends to increase with age. Controlling for these variables means that we can interpret the effect of other variables without concern that the results are confounded by differentials in the property holding of people living in different size communities or people of different ages.

We also explored models that included whether people got restitution tickets but ultimately decided against including this variable on both empirical and conceptual grounds. Empirically, holding a restitution ticket has virtually no net impact on 1993 property holding – of 20 coefficients (five nations by four kinds of property), only three were significant and these were very small in size; moreover two implied *reduced* odds of property restoration. This is not altogether surprising, given that receipt of a restitution ticket depended in a straightforward way on the type of pre-communist family property holdings.

Only if initial receipt of restitution were itself politically determined could receipt of a restitution voucher have an independent effect. Thus, on conceptual grounds as well, it makes little sense to add holding a restitution voucher to the model predicting 1993 property.

To determine to what extent continuity between pre- and post-communist property ownership is indirect, arising from the effect of pre-communist property holdings on occupational status and communist party membership during the communist period and from the effect of these on post-communist property holdings, we compare the coefficients in Models 1 and 2 associated with pre-communist property holdings. To the extent that property continuity is indirect, the coefficients for Model 2 should be smaller than the corresponding coefficients for Model 1.<sup>14</sup> Comparing these two sets of estimates, we see that there was little indirect effect of 1988 occupational status or communist party membership on post-communist residential or land ownership; the corresponding coefficients are quite similar. However, it does appear that continuity in the ownership of businesses and other property arises in part because those from business-owning families were more likely than others to occupy high status occupations at the end of the communist era and thus were able either to retain their property or to acquire new property during the communist period or after the collapse of communism. Continuity in business ownership was particularly strong, everywhere except in Slovakia: the Model 1 coefficients for 1948 family business ownership range from .4–.6, which tells us that the descendants of pre-communist business owners would be expected to be .4 to .6 standard deviations higher on the latent dimension, propensity to own a business in the post-communist period, than would the descendants of those whose families did not own businesses in the pre-communist period. This is a strong result. But the effect of 1988 occupational status and communist party membership is also substantial; controlling for these factors reduces the standardized coefficients for pre-communist business ownership by 32 to 43%.

The best estimates of the determinants of post-communist property holding are those shown in Table 6, which displays contributions to odds ratios. The coefficients associated with the three pre-communist property variables are, of course, just transformations of the Model 2 coefficients shown in Table 5; they are presented here to facilitate comparison with the coefficients associated with the other variables in the table.

First, consider residential property ownership. Of greatest interest for the present analysis is the continuing

importance of 1948 property ownership. Although the results are not completely consistent, in every nation some sort of 1948 family property ownership – residential property, or land, or a business, or some combination of these forms of ownership – increases the odds of home ownership in 1993. Note that these effects are independent of the effects of occupational status and communist party membership at the end of the communist era, and also of size of place of residence. They thus suggest real family continuity in the propensity to own property over two or three generations and nearly half a century.

Not surprisingly, considering the importance of housing as a perquisite of status during the communist era, managerial or professional status in 1988 tends to increase the odds of owning residential property in 1993 (with the exception of Slovakia), net of pre-communist family property holding. These effects are particularly pronounced in Poland. It is probable that those in advantageous occupations during the communist period were able to exploit whatever opportunities existed to purchase residential property, either during the communist period or after the transformation. After all, they were better paid; had better connections; and understood better how to exploit the system (Szelenyi, 1978, 1982; Bodnar and Borocz, 1998). Also, unsurprisingly, those not in the labor force in 1988 were substantially less likely than others to own their residence in 1993 (except in Hungary). By contrast, communist party membership *per se* had no impact on post-communist home ownership. As expected, older people are substantially more likely to own their own homes (the ratio of the odds of home ownership between a 25 year old and a 65 year old respondent ranges from 4.27 (=1.037<sup>40</sup>) in the Czech Republic to 21.7 (=1.080<sup>40</sup>) in Bulgaria). And, also as expected, except for Bulgaria, villagers are more likely than those living in capital cities to own their own homes.

The story with respect to land ownership is similar, although not identical. The odds of owning land in 1993 are two to 3½ times as great for individuals from pre-communist land-owning families as for others. Note that we have controlled for size of place and 1998 occupation, so we are not simply picking up either an urban-rural distinction or the propensity of those engaged in agriculture to own their land. By contrast, pre-communist home or business ownership has no impact on 1993 land ownership.

However, we also find that, as we would expect, those engaged in agriculture in 1988 were more likely to own land in 1993 than were those engaged in non-agricultural pursuits in 1988, as were those living in a



**Table 5** Y\*-standardized Logit Coefficients for 1948 property ownership variables from binomial logistic regressions predicting the odds of owning various forms of property in 1993, by country (p-values in parentheses). Model 2 is the Model shown in Table 6; model 1 excludes occupational class and party membership in 1988

|  | Model | Bulgaria | Czech R. | Hungary | Poland | Slovakia |
|--|-------|----------|----------|---------|--------|----------|
| <i>A. Own residence (apartment or house) in 1993</i> |       |          |          |         |        |          |
| Family owned house in 1948                           | 1     | .172     | .348     | .356    | .087   | .145     |
|  | 2     | .158     | .319     | .351    | .048   | .134     |
| Family owned land in 1948                            | 1     | .090     | .164     | .103    | .441   | .276     |
|  | 2     | .084     | .155     | .098    | .383   | .273     |
| Family owned business in 1948                        | 1     | -.120    | .132     | .112    | .475   | -.101    |
|  | 2     | -.136    | .095     | .099    | .430   | -.102    |
| <i>B. Own land in 1993</i>                           |       |          |          |         |        |          |
| Family owned house in 1948                           | 1     | .090     | .199     | .052    | .062   | -.066    |
|  | 2     | .094     | .182     | .048    | .042   | -.075    |
| Family owned land in 1948                            | 1     | .568     | .930     | .670    | .619   | .905     |
|  | 2     | .561     | .900     | .654    | .562   | .893     |
| Family owned business in 1948                        | 1     | .039     | .122     | .147    | .234   | .180     |
|  | 2     | .030     | .103     | .131    | .214   | .160     |
| <i>C. Own other property in 1993</i>                 |       |          |          |         |        |          |
| Family owned house in 1948                           | 1     | .308     | .716     | .374    | .144   | .444     |
|  | 2     | .298     | .625     | .330    | .116   | .402     |
| Family owned land in 1948                            | 1     | .510     | -.008    | .268    | .265   | .189     |
|  | 2     | .419     | .004     | .272    | .178   | .171     |
| Family owned business in 1948                        | 1     | .176     | .672     | .307    | .810   | .261     |
|  | 2     | .143     | .563     | .229    | .632   | .187     |
| <i>D. Own business in 1993</i>                       |       |          |          |         |        |          |
| Family owned house in 1948                           | 1     | -.466    | .040     | .352    | .183   | -.176    |
|  | 2     | -.402    | -.054    | .208    | .073   | -.208    |
| Family owned land in 1948                            | 1     | .215     | .199     | .579    | .168   | .246     |
|  | 2     | .108     | .141     | .450    | .046   | .193     |
| Family owned business in 1948                        | 1     | .514     | .393     | .610    | .562   | .016     |
|  | 2     | .352     | .223     | .414    | .384   | -.117    |

village in 1993. But it also appears that, with the exception of Bulgaria, having a high status occupation in 1988 increased the likelihood of owning land in 1993. Thus, once again we have evidence of the ability of the 'winners' at the end of the communist era to land on their feet and become winners in the post-communist era as well.

Land ownership follows the same age pattern as home ownership – the propensity increases rapidly with age, and again the age gradient is strongest in Bulgaria.

Current ownership of 'other property' (which excludes vacation homes) is another variation on the same theme, albeit in somewhat muted form. There is some suggestion that the likelihood of owning other property in 1993 was greater for those from pre-communist property-owning families than for others, but the evidence is fairly weak and somewhat inconsistent across countries. By contrast, 1988 occupational status mattered a good deal. Those with professional or managerial occupations

in 1988, and in all but Bulgaria those with routine non-manual jobs as well, were substantially more likely to own property than were those in manual or agricultural occupations.

Finally, we consider ownership of businesses large enough to have employees. Apart from Czechoslovakia, a history of entrepreneurial activity – that is, business ownership – within the family appears to exert a positive effect on becoming an employer in 1993. Furthermore, in Hungary 1948 land ownership has a strong positive effect, nearly doubling the odds of owning a business in 1993 net of other factors. We suspect that this distinctive pattern of coefficients reflects the re-emergence in Hungary of entrepreneurship among the old propertied classes, which has been documented by Szelenyi (1988).

With only a few exceptions, occupational status in 1988 is what drives business ownership in the post-communist period. As expected, there is very substantial

**Table 6** Odds multipliers from binomial logistic regressions predicting the odds of owning various forms of property in 1993, by country (p-values in parentheses)

|  | Bulgaria     | Czech R.     | Hungary      | Poland       | Slovakia     |
|--|--------------|--------------|--------------|--------------|--------------|
| <i>A. Own residence (apartment or house) in 1993</i>                                       |              |              |              |              |              |
| Family owned house in 1948   | 1.277 (.052) | 1.577 (.000) | 1.604 (.000) | 1.069 (.505) | 1.225 (.072) |
| Family owned land in 1948  | 1.138 (.244) | 1.248 (.013) | 1.140 (.165) | 1.707 (.000) | 1.510 (.000) |
| Family owned business in 1948  | .811 (.028)  | 1.146 (.167) | 1.143 (.236) | 1.822 (.000) | .858 (.194)  |
| <i>Occupational class in 1988 (omitted category is semi- and unskilled manual workers)</i> |              |              |              |              |              |
| Professionals & managers   | 1.344 (.037) | 1.373 (.006) | 1.563 (.007) | 1.895 (.000) | 1.081 (.545) |
| Routine nonmanual  | 1.260 (.195) | 1.352 (.033) | 1.017 (.917) | 1.144 (.362) | 1.053 (.713) |
| Self-employed  | .451 (.094)  | 1.057 (.940) | 1.572 (.138) | 2.306 (.001) | 1.758 (.467) |
| Skilled manual   | 1.043 (.773) | 1.393 (.003) | 1.176 (.217) | .996 (.972)  | 1.213 (.150) |
| Agricultural workers   | 1.591 (.012) | 1.331 (.133) | 1.434 (.131) | 2.526 (.000) | 1.386 (.097) |
| Not in labor force   | .702 (.002)  | .677 (.001)  | .848 (.145)  | .732 (.006)  | .746 (.014)  |
| p-value (Wald test)  | (.000)       | (.000)       | (.000)       | (.000)       | (.000)       |
| CP member in 1988  | 1.756 (.001) | .994 (.957)  | .972 (.869)  | 1.009 (.958) | .917 (.392)  |
| <i>Size of place of current residence (omitted category is capital city)</i>               |              |              |              |              |              |
| Resident of city (not capital)   | 1.120 (.465) | 1.221 (.262) | 2.021 (.001) | .993 (.976)  | .569 (.000)  |
| Resident of town   | 1.176 (.251) | 1.837 (.000) | 2.972 (.000) | 1.219 (.355) | 1.457 (.002) |
| Resident of village  | .885 (.433)  | 5.905 (.000) | 4.308 (.000) | 2.710 (.000) | 5.070 (.000) |
| Residence type unknown   | .751 (.793)  | 3.322 (.050) | 2.810 (.172) | —            | 2.184 (.000) |
| p-value (Wald test)  | (.333)       | (.000)       | (.000)       | (.000)       | (.000)       |
| Age  | 1.080 (.000) | 1.037 (.000) | 1.047 (.000) | 1.038 (.000) | 1.052 (.000) |
| <i>B. Own land in 1993</i>   |              |              |              |              |              |
| Family owned house in 1948   | 1.152 (.331) | 1.289 (.139) | 1.064 (.627) | 1.061 (.539) | .908 (.609)  |
| Family owned land in 1948  | 2.331 (.000) | 3.516 (.000) | 2.347 (.000) | 2.207 (.000) | 3.162 (.000) |
| Family owned business in 1948  | 1.046 (.670) | 1.155 (.287) | 1.187 (.192) | 1.353 (.087) | 1.228 (.169) |
| <i>Occupational class in 1988 (omitted category is semi- and unskilled manual workers)</i> |              |              |              |              |              |
| Professionals & managers   | 1.178 (.259) | 1.387 (.047) | 1.518 (.002) | 1.323 (.077) | 1.424 (.030) |
| Routine nonmanual  | 1.159 (.367) | 1.113 (.569) | 1.124 (.488) | 1.073 (.654) | .989 (.957)  |
| Self-employed  | .662 (.311)  | 1.867 (.479) | 1.884 (.009) | 3.128 (.000) | .475 (.380)  |
| Skilled manual   | 1.210 (.149) | 1.145 (.381) | .996 (.978)  | 1.071 (.621) | 1.149 (.445) |
| Agricultural workers   | 1.434 (.018) | 1.742 (.007) | 2.404 (.000) | 3.536 (.000) | 1.444 (.089) |
| Not in labor force   | .928 (.448)  | .750 (.075)  | .904 (.398)  | 1.024 (.859) | 1.153 (.303) |
| p-value (Wald test)  | (.024)       | (.000)       | (.000)       | (.000)       | (.090)       |
| CP member in 1988  | 1.065 (.641) | 1.044 (.754) | 1.092 (.562) | 1.320 (.133) | 1.164 (.192) |
| <i>Size of place of current residence (omitted category is capital city)</i>               |              |              |              |              |              |
| Resident of city (not capital)   | 1.217 (.333) | 1.175 (.386) | 2.271 (.000) | .625 (.073)  | .744 (.139)  |
| Resident of town   | 1.787 (.000) | 1.059 (.724) | 2.395 (.000) | .881 (.630)  | .904 (.366)  |
| Resident of village  | 2.260 (.000) | 2.218 (.000) | 4.105 (.000) | 2.394 (.001) | 1.330 (.001) |
| Residence type unknown   | —            | 1.744 (.380) | 6.181 (.000) | —            | .827 (.488)  |
| p-value (Wald test)  | (.000)       | (.000)       | (.000)       | (.000)       | (.004)       |
| Age  | 1.065 (.000) | 1.022 (.000) | 1.025 (.000) | 1.016 (.000) | 1.036 (.000) |
| <i>C. Own other property in 1993</i>   |              |              |              |              |              |
| Family owned house in 1948   | 1.436 (.037) | 2.142 (.000) | 1.441 (.089) | 1.155 (.552) | 1.547 (.074) |
| Family owned land in 1948  | 1.664 (.004) | 1.005 (.976) | 1.352 (.061) | 1.247 (.355) | 1.203 (.329) |
| Family owned business in 1948  | 1.190 (.253) | 1.987 (.000) | 1.288 (.227) | 2.186 (.003) | 1.225 (.347) |
| <i>Occupational class in 1988 (omitted category is semi- and unskilled manual workers)</i> |              |              |              |              |              |
| Professionals & managers   | 1.610 (.009) | 3.091 (.000) | 2.309 (.001) | 4.117 (.000) | 1.937 (.002) |
| Routine nonmanual  | 1.019 (.942) | 2.305 (.002) | 1.648 (.054) | 2.693 (.017) | 1.518 (.075) |
| Self-employed  | 1.797 (.232) | —            | 1.933 (.118) | 5.925 (.000) | —            |

continued

Table 6 (Continued)

|  |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
| Skilled manual   | 1.201 (.360)  | 1.275 (.317)  | 1.175 (.534)  | .905 (.833)   | 1.319 (.229)  |
| Agricultural workers   | .810 (.429)   | .978 (.962)   | 1.220 (.622)  | 3.582 (.003)  | .919 (.813)   |
| Not in labor force   | .826 (.289)   | 1.074 (.740)  | 1.208 (.412)  | 2.256 (.024)  | .955 (.843)   |
| p-value (Wald test)  | (.006)        | (.000)        | (.014)        | (.000)        | (.004)        |
| CP member in 1988  | 2.027 (.000)  | 1.068 (.772)  | 1.784 (.005)  | 2.701 (.000)  | 1.130 (.527)  |
| <i>Size of place of current residence</i> (omitted category is capital city)               |               |               |               |               |               |
| Resident of city (not capital)   | .750 (.085)   | .741 (.417)   | .842 (.456)   | 1.320 (.466)  | .730 (.011)   |
| Resident of town   | .755 (.061)   | .844 (.304)   | .900 (.617)   | 1.509 (.275)  | .861 (.347)   |
| Resident of village  | .511 (.000)   | .924 (.666)   | .765 (.228)   | 1.027 (.948)  | .815 (.101)   |
| Residence type unknown   | 1.634 (.707)  | 1.017 (.986)  | – (.000)      | –             | .665 (.318)   |
| p-value (Wald test)  | (.005)        | (.817)        | (.666)        | (.339)        | (.078)        |
| Age  | 1.018 (.000)  | 1.004 (.349)  | .987 (.007)   | .981 (.006)   | 1.007 (.160)  |
| <i>D. Own business in 1993</i>   |               |               |               |               |               |
| Family owned house in 1948   | .565 (.112)   | .916 (.770)   | 1.363 (.453)  | 1.112 (.719)  | .733 (.369)   |
| Family owned land in 1948  | 1.166 (.657)  | 1.255 (.401)  | 1.952 (.065)  | 1.069 (.811)  | 1.334 (.471)  |
| Family owned business in 1948  | 1.648 (.044)  | 1.434 (.167)  | 1.850 (.039)  | 1.748 (.081)  | .840 (.584)   |
| <i>Occupational class in 1988</i> (omitted category is semi- and unskilled manual workers) |               |               |               |               |               |
| Professionals & managers   | 9.390 (.000)  | 5.089 (.000)  | 4.952 (.002)  | 3.740 (.001)  | 4.590 (.000)  |
| Routine nonmanual  | 2.254 (.065)  | 1.753 (.234)  | .937 (.930)   | .947 (.916)   | 1.476 (.408)  |
| Self-employed  | 37.418 (.000) | 18.299 (.000) | 21.932 (.000) | 29.591 (.000) | 18.938 (.001) |
| Skilled manual   | 2.894 (.088)  | 2.410 (.011)  | 1.733 (.322)  | 1.301 (.587)  | 1.474 (.343)  |
| Agricultural workers   | 3.033 (.142)  | .306 (.265)   | 4.064 (.033)  | 3.762 (.012)  | .661 (.535)   |
| Not in labor force   | 4.526 (.003)  | .295 (.013)   | .565 (.356)   | .867 (.744)   | .547 (.160)   |
| p-value (Wald test)  | (.000)        | (.000)        | (.000)        | (.000)        | (.000)        |
| CP member in 1988  | 2.093 (.016)  | 1.760 (.020)  | .767 (.577)   | 2.338 (.022)  | 1.912 (.014)  |
| <i>Size of place of current residence</i> (omitted category is capital city)               |               |               |               |               |               |
| Resident of city (not capital)   | .635 (.153)   | .702 (.117)   | 1.003 (.991)  | .957 (.908)   | .496 (.000)   |
| Resident of town   | .619 (.086)   | .723 (.156)   | .415 (.005)   | .789 (.523)   | .819 (.302)   |
| Resident of village  | .362 (.013)   | .874 (.596)   | .570 (.092)   | .225 (.001)   | .633 (.012)   |
| Residence type unknown   | 9.559 (.029)  | –             | –             | –             | .695 (.315)   |
| p-value (Wald test)  | (.005)        | (.374)        | (.000)        | (.000)        | (.003)        |
| Age  | .982 (.004)   | .960 (.000)   | .977 (.012)   | .965 (.000)   | .946 (.000)   |

continuity between self-employment in 1988 and business ownership in 1993. Moreover, individuals in managerial and professional positions in 1988 show a pronounced tendency to become business owners in the post-communist period. It is probable that it is mainly managers and not professionals that account for the bulk of the 1993 business activity of the combined group. Insofar as this is so, it suggests that former cadres have been able to convert their political assets into economic capital in marketized environments, as power conversion theorists such as Jadwiga Staniszkis (1991) and Akos Rona-Tas (1994; see also Rona-Tas and Guseva, 2001) have argued, or, alternatively, that the kinds of people who were successful cadres during the communist period had the kinds of personal traits that would make them successful entrepreneurs in the post-communist period, as Gerber (2000, 2001) suggests.

It is beyond the scope of this paper to attempt to adjudicate between these positions. However, what is clear – from the results in Table 5, already discussed – is that those whose 1988 occupations increased the likelihood of post-communist business ownership tended disproportionately to be from pre-communist business-owning families, which gives added support to the claim that there was substantial continuity, both direct and indirect, in the pre- and post-communist business elite.

Two other results are worthy of note. First, in contrast to other forms of property ownership, but with the striking exception of Hungary, the odds of owning a business in 1993 are substantially greater for people who were communist party members in 1988, net of other factors. Second, again in contrast to home and land ownership, the odds of owning a business *decline* with age. Taken together, these results suggest that post-communist

business ownership is driven by a very different dynamic from other forms of property ownership. Those who already had become entrepreneurs in the twilight of communism enjoyed an enormous advantage in the early post-communist era. But the young also enjoyed an advantage. Whereas property ownership appears to involve something of a return to the *ancien regime*, business ownership appears to be only partly that, but also the game of the capitalist new man (or woman).

## Conclusions

We conclude by returning to the title of the paper: did the transformation to post-communism in Eastern Europe restore pre-communist property relations? Our answer is yes, to a very substantial degree. Those whose families held property in 1948 were much more likely than others to have property in 1993, either because they had it restored or because they maintained it throughout the communist era. However, continuity in property ownership appears to follow two distinct patterns, judging from the results reported in Table 5. Continuity in ownership of residential property and land appears to be essentially independent of political or socioeconomic status at the end of the communist period. By contrast, continuity in ownership of business or investment property was partly direct but also was enhanced by the propensity of the descendants of pre-communist business owners to acquire high status positions during the communist era, and for those in high status positions to be more likely to hold business and investment property in the post-communist period. The difference in mechanisms aside, the extent of continuity in property holding over a half century that saw two fundamental regime changes is extraordinary and cries out for further investigation.

## Notes

1. In the five Eastern European studied here, on average 7.3% of male respondents were in the same ISCO88 3-digit category (International Labour Office, 1989) as their fathers and only 15.2% were even in the same EGP10 category (Erikson and Goldthorpe, 1992: 35–47). Similar computations for 113 sample surveys conducted in 16 Western European and Anglo nations (International Social Mobility and Politics File, 1996) yield similar percentages: 9.8% in the same 3-digit ISCO88 category and 19.6% in the same EGP10 category.
2. In the USA, for example, around 60% of the women reaching age 55 in 1980 still had a living parent (Watkins *et al.*, 1987: 349). A similar pattern probably characterizes most European nations since late 20th century life expectancies in Western Europe are similar to those in the USA (Livi-Bacci, 1997: 121) and they are nearly as high in Eastern Europe (Mesle, 1996: 128–129).
3. The data are available for scholarly use and may be downloaded, together with documentation, from <http://www.sscnet.ucla.edu/issr/da/index/frame.htm> (click on 'S'; click on 'Social Stratification in Eastern Europe after 1989'; click on 'SSEE Homepage (FOR NON-UCLA USERS)').
4. For convenience, we refer to our survey respondents as '1993 respondents' even though the Polish survey was conducted in 1994.
5. We tabulate 1948 property ownership of parents and grandparents because few respondents were old enough to have owned property in 1948. The oldest respondents in most of the national samples were 69 in 1993, or only 24 in 1948.
6. Soviet-style industrialization involved the transfer of capital and labor from the agricultural to the industrial sector. This could not be accomplished, of course, if the agricultural sector was made up of smallholders farming privately held plots of land. Upon taking power in Eastern Europe, the communist governments immediately set about to collectivize agriculture. Formally, this involved the voluntary leasing of land to the collective, but in practice the decision to join a cooperative was not a free one. Individuals who remained outside the framework of the cooperative found it very difficult to obtain necessary inputs (Kornai, 1992). Thus the elimination of small farmers has much in common with the disappearance of urban artisans. In neither case was property nationalized; rather, through a variety of fiscal measures and other coercive mechanisms such as the denial of necessary inputs, both artisans and farmers were forced to abandon their private enterprises. The collectivization of agriculture sparked resistance on the part of private farmers in Eastern Europe. In Hungary, for example, collectivization proceeded in two waves. Non-cooperation on the part of farmers convinced the government to halt temporarily the collectivization drive in the 1950s. The collectivization of agriculture was not completed in Hungary until 1963, by which time the vast majority of rural farmers belonged to a cooperative (Berend and Ranki, 1974). Resistance to Communist

rule on the part of workers and farmers was even more pronounced in Poland than in Hungary. A political crisis had forced the Soviet Union to return Gomulka, a legitimate national hero, to power in the early 1950s. It was Gomulka who decided to abandon the policy of collectivization altogether (Berend and Ranki, 1974). Arable land remained in the hands of private owners throughout the period of communist rule in Poland. This not only affected the rate of industrial development in that country; it also meant that in Poland, state intervention in the stratification system did not proceed as far as in Hungary or the Czech Republic.

7. There is a bit of a misconception regarding the confiscation of businesses during communist rule in Eastern Europe. For the most part, only large businesses were 'nationalized' – seized by the government. In many cases the nationalization of industries occurred before the consolidation of communist power in 1949, and were not unpopular actions. The elimination of independent artisans and shop owners proceeded quite differently, however. In most cases, the property of these individuals was not seized. Instead, communist governments resorted to more indirect but equally effective means of driving small urban entrepreneurs out of business. This involved a combination of high taxes and the inability to obtain the inputs on which their enterprises depended from the state sector. Within five years after the establishment of communist governments, the petty bourgeoisie had been effectively driven out of existence in all of the countries in question (Berend and Ranki, 1974). It may well be that when respondents report that the business of their parents or grandparents was 'confiscated', they actually mean only that the parent or grandparent lost the business as a result of the action of the communist regime.
8. The discussion of 'upward' and 'downward' mobility assumes that the EGP categories are correctly ordered with respect to their socioeconomic status. The evidence that the ordering is correct is two-fold. First, there is a near-monotonic relationship between the EGP ordering shown in Table 3 and the mean occupational status of the incumbents of each category, where occupational status is coded by the International Socioeconomic Index of Occupations, ISEI (Ganzeboom and Treiman, 1996). The only exception is that manual supervisors have ISEI scores that average slightly higher than those of small employers and self-employed workers without employees. Second, when intergenerational occupational mobility is analyzed using EGP or closely allied schemes and models that permit free scaling of occupation categories, the resulting scale scores closely replicate the socioeconomic hierarchy (e.g. Klatzky and Hodge, 1971; Ganzeboom *et al.*, 1989, 1998; Hout and Hauser, 1992). However, even if we were to move manual supervisors above small employers and self-employed workers without employees, our conclusions regarding the disproportionate propensity for downward mobility as a consequence of the transition to communism would remain absolutely unchanged, as is evident from inspection of the percentages in Table 3.
9. The proportion mobile would be even higher if we included those who left the labor force between 1948 and 1952, since it is likely that there was a certain amount of 'forced retirement' then just as there was during the transition to post-communism.
10. If the 1948–52 mobility pattern had continued until 1964, about 41% of the labor force would have been mobile – an estimate derived by taking the third power of the 1948–52 matrix.
11. The division of Czechoslovakia into two independent republics on 1 January 1993 did not affect the restitution programs described here. Much of the property in question had already been returned by the time of the division, and both countries continued to enforce restitution laws after the separation.
12. Although it might seem that 1993 (or 1994 in Poland) is too early to capture the full impact of property restitution, restitution policies were implemented very quickly after the fall of communism, so that most urban restitution had already been carried out by the time our data were collected. Agricultural restitution in the Czech Republic and Bulgaria was not completed by the time the data were collected (Strong *et al.*, 1996). It should be noted, however, that our analysis described below has established a strong link between family ownership of land in 1948 and ownership of land in 1993 in both of these countries. Because the restitution of agricultural property in both Bulgaria and the Czech Republic proceeds along familial lines, the completion of the process in both countries likely resulted in a strengthening of the association already uncovered here.
13. These equations were estimated using Stata 8.0's survey estimation procedures to correct for the fact that all of our samples were multistage probability samples with observations clustered by locale, which means that standard errors estimated assuming random sampling will generally be too small. To

define PSUs (primary sampling units), we used the lowest level of geography available to us, designated by the code for 'city' within 'district' within 'region'.

14. The coefficients in Table 5 are  $Y^*$ -standardized coefficients (Long, 1997: 128–129). That is, they indicate the expected change, in standard deviation units, of the latent dependent variable that underlies that observed dichotomous variable, resulting from a one unit change in the associated independent variable. They are computed using Long's ado file for Stata, 'listcoef' (Long and Freese, 2001: 73–76). The reason  $Y^*$ -standardized coefficients are shown is that comparisons of logits (or odds ratios) across equations with differing numbers of independent variables are not meaningful because the variance of the latent dependent variable changes as variables are added to the equation (Winship and Mare, 1984: 517; Long, 1997: 128).

## Acknowledgements

The data on which this paper is based are from the project, 'Social Stratification in Eastern Europe after 1989', Principal investigators: Ivan Szelenyi and Donald J. Treiman. The project was supported by grants to UCLA from the US National Science Foundation (SES 91117222 and SBR 9310395), the US National Council for Soviet and Eastern European Research (806-29), the Dutch National Science Foundation (NWO), and a number of grants to researchers in the countries studied. Earlier versions of this paper were presented at the Conference on Regime Transformation and Democratization in Comparative Perspective, UCLA, May 20–21, 1994; the UCLA Seminar on Social Stratification, 6 December 1994; the Workshop on Stability and Change in Post-Communist Europe, Budapest, 11–13 December 1994; the Seminar on Mass Response to the Transformation of Post-Communist Societies, St. Antony's College, Oxford, 16–19 March 1995; and a meeting of the Research Committee on Stratification, Burlington VT, 16–17 August 1995.

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