

Adaptive Reconstruction of Elites in Post-socialist Yugoslavia

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1. The concept of elite

The process of post-socialist transformation has given a new impetus to the elite's studies (we will see – with a good reason!), in the empirical as well as the theoretical field. Many elite's surveys are completed or in progress, in Central and East European countries, followed or preceded by theoretical considerations (see, e.g., special issue of *Theory and Society*, 1995). While empirical researches have produced plenty of extremely important data, theoretical discussions have renewed the ambivalence that had followed the development of elite's theory since its very beginning. This ambivalence concerns the very concept of the elite, the role and position of elite's in the process of social structuration, the relationship between the notions of elite and class, etc. Unsolved basic questions have led to unproductive discussions – best represented by the dilemma of circulation or reproduction of elite's in the transformation period – that have limited the interpretation of the collected data. Naturally, it is not possible to »solve« these unsettled problems in a relatively short article, but it is necessary to sketch some answers in order to make our interpretation of recent findings on elite's in Yugoslavia more meaningful.

In the history of the elite's theories it is possible to differentiate two general approaches. The first, characteristic mostly of the old theorists, is »individualistic«. Pareto, Mosca and their followers defined the elite's according to individual capabilities of their members (entrepreneurial talent, ability to organize, etc.). Since this approach unavoidably leads towards a psychologistic interpretation of social life, we will drop it without further elaboration. The second theoretical tradition is »positional«. It has been generally subdivided into two groups: one, where *top institutional positions* have been designated as the criterion that separates elite membership from the rest of society; and the other, where *accumulated power* and, very often, readiness (capability, etc.) to *act* represent the basis for elite definition (this division, of course, is a simplification since there are authors who try to connect, the two approaches).

The problem of the first, institutional, approach is that it is empirical rather than theoretical: it may imply many different – and even opposing – interpretations of the logic of social reproduction (conflictual, functionalist, and so on). One may say that nothing is wrong with such a definition as far as it is kept at a descriptive level. But difficulties begin with the »extension« of this approach to the analytical level. I will mention two problems of this kind. Proponents of institutional approach – following another long lasting tradition of elite's theorists – as a rule investigate only the top of the social hierarchy (economic, political, military, etc., »power elites«), and consequentially reduce the rest of society to an undifferentiated »mass«. In this way the relationships inside the bulk of the social hierarchy are blurred, and the »mass« cannot be understood but as a mere object of the elite's actions. Therefore, instead of the study of relations between the elite and »mass«, only the shaping of the »mass« by the elite becomes the research topic. This gives rise to the, second, more important, difficulty. The institutional approach may be useful in describing concrete mechanisms of recruitment,

behavior, attitudes, etc. of specific social groupings. However, it cannot reach the problem of the constitution and reproduction of institutions themselves (since they are a product of complex social relations).

Too general (unspecified, »empty« according to Max Weber) a content of the basic notion – the power – represents the principal difficulty of another »positional« approach to elite's studies. Let us take an example to demonstrate the case. Etzioni-Halevy is one of the authors who tries to overcome this difficulty. She starts her study with a standard definition of elites, that may be »differentiated from non-elites by the extent of their power and influence« (1993: 13). Later on she becomes more specific: »They may be those, who – even within their own classes – have a greater share of active control over organizational/administrative resources of power. Or they may be those who have a greater share of resources of knowledge, ambition, charisma, time, motivation and energy. In any case, they are the men and women within each social class who, on the basis of these resources, have the ability and willingness to engage in certain actions which are of wider significance and have an impact on society.« (p. 44)

Three elements are important in this definition. First, power is specified as »control over resources«: physical coercion, organizational-administrative, symbolic, material-economic, psycho-personal (cf. p. 94). Since she started her analysis with the general concept of power, it is not surprising that in her definition she put together the individualistic (»ambition«, »motivation«, »charisma«) and positional approaches. I would say, however, that in the framework of social study the stress on the systemic origin of elite positions is decisive. Therefore, it would be more appropriate to interpret »resources« in Bourdieu's sense of »capital« – economic, social, political, cultural – as an entity that may be accumulated, reproduced in expanded form, acquired and lost, converted, etc. (cf. Bourdieu, 1986).

The second element of the quoted definition introduces action as a specific characteristic of elite members. Elite's theorists have, implicitly or explicitly, always pointed to action as the crucial substance of this group. Here again, our author mixed the two approaches: action is not, primarily, a result of somebody's »willingness«; it is a necessary consequence of positions that elite members take (the »resources« cannot be reproduced, accumulated, etc. without the action!). By the way, according to Etzioni-Halevy, class cannot act, while elite can. The reason is in the concept of action: »for action to occur a decision has to be reached and, at the very least, an attempt has to be made to implement it« (p. 35). This is a surprisingly narrow conception. Speaking about »implementation« is tautological, since implementation means the process of acting. To postulate decision-making as the fundamental principle of action seems more appropriate to a theory of organization than to a general theory of the social system and social change.

We are coming now to the third element of Etzioni-Halevy's definition, that is particularly important for our topic. The author understands elite's as the upper parts of social classes (it seems that in this way the old problem of reducing the rest of society to »mass« is solved). The result of this solution, however, is to put together two traditionally confronted approaches – class and elite theories (many authors have been doing this, but only few of them have been aware of the problem). In order to achieve the »fusion«, she consistently defines classes in a more general way, as groups »differentiated from each other by the extent to which they own and control various resources and most prominently material resources« (p. 13). The problem with this definition is that it is »gradational« (»the extent« implies quantitative inequality), so that it misses the key point of class theory: the interpretation of inter-class relations as basically conflictual.

It is necessary here to make some general remarks concerning the relations between class and elite theories. The historical development of both theories, as well as their internal logic, conceptual apparatuses, etc., makes it clear that their protagonists have been trying to analyze two different sets of problems. The fundamental question for the class theorists was: how social systems – or, more generally, modes of production of social life – have been inaugurated and dissolved; what are the »laws« of their rise and fall, conditions of their reproduction, etc. Elite theorists were concerned with another set of questions: who have been the most active participants in inaugurating, reproducing and dissolving the dominant social relations in certain historical circumstances. In other words, class theorists have been dealing with the general system dynamics, while elite theorists have been concentrating on concrete mechanisms of social change. That is why class theory has been elaborated at a more abstract analytical level much better, while a lot of inconsistencies and even a change of theoretical standpoints – a shift towards the functionalist theory, in order for »unrealistic« presuppositions to be avoided – may be found in attempts to study concrete historical processes (this was especially the case with sociological surveys in given societies). On the contrary, elite theory has been quite trivial, descriptive and non-analytical at a more abstract level, while empirical researches from this perspective have often been very persuasive. In a word, these two approaches are complementary and not mutually exclusive, as far as they try to answer two legitimate questions, crucial for social science. By the same token, merging the two different perspectives necessarily leads to inconsistencies: class and elite position may not match; the political or cultural elite of the workers' movement may neither belong to the working class – to take the most obvious example. Therefore, we have to keep them separate and to use one or another depending upon the problem we analyze.

Finally, on the basis of the preceding discussion, I would prefer to define the elite in the following way: it is a group who poses concentrated control over accumulated resources that are necessary for the reproduction of basic conditions upon which a given (or potential) mode of production of social life rests, and who has an active role in the reproduction of these conditions. Let me discuss this definition very briefly. It is clear that the proposed approach is structural *and* historical. Resources (capital, etc.) that we talk about should represent the foundation upon which a specific type of social relations has been built. Naturally, these are always economic, political, cultural resources, but a specific order of determination among them is what defines a particular form of society (accumulation of economic capital is the nutshell of capitalism; merger of political, economic and cultural monopoly is the basis of class domination in socialism, and so on). Therefore, the elite's themselves have to be defined differently (historically) in particular societies, and the same holds good for their relations towards classes. Also, it is necessary to differentiate between the elite's according to the resources they command, but also according to their relations towards an existing order: some may be its guardians, while others may be the bearers of another (potential) one. It should be noticed that accumulation of resources and activity of elite's are mutually dependent: accumulation is the key precondition for activity, while the activity secures accumulation.

2. Class and elite in the interpretation of post-socialist transformation

In the second part of this article we are going to outline how the two theoretical perspectives may be used in a research into the breakdown of socialism, and the process of actual social transformation.

Theoretical (cf. Feher et al., 1984; Lazić, 1987) and empirical studies (Lazić, 1994) clearly showed that socialism was a particular type of class society. A specific form of its re/production, in which the ruling class monopolized the control over all sub-systems of society, made this class the only active social subject (this means that concurrence between the top layer of the ruling class and the – only one! – elite existed here; the lower layers of this class, and people – mostly intellectuals – who organized dissident movements, may be called sub-elites, following the terminology of Etzioni-Halevy – cf. p. 44). The other groups – mediate strata, workers, peasants, small entrepreneurs – had no possibility to organize economically and politically, to develop their own ideologies, to act collectively (the only exceptions – e.g. Solidarity in Poland – occurred when the system was in deep crisis). Still, the dynamics that led the system to collapse had a class character, and the principal producer of this dynamics was, again, the ruling class.

Let me explain this point extremely briefly (see the developed argument in Lazić, 1994). Command economy system(at)ically produced stagnation and crisis. The ruling group attempted at decentralization in order to overcome the crisis, transferring some of the authority from the top to the lower levels of its hierarchy. This move did not solve the economic problems; moreover, it sharpened the conflicts inside the ruling class – along territorial and functional lines. Renewed centralization only aggravated the economic problems, so that in Gorbachev time new strategy was tried: to complement decentralization with a controlled, limited, liberalization. Liberalization made room for intellectuals to delegitimize the socialist system. The concurrence of economic, political and legitimization crisis allowed for mass mobilization of the population (large parts of mediate strata and workers) that overthrew the old regime.

The old system, however, did not only prevent the class formation of lower social groups who were »rooted« in the system. It did the same for the possible bearers of an emerging system; or, to put it more precisely: command economy did not allow for a kernel of an entrepreneurial class to develop. The actors of transformation of the socialist system could not, therefore, have been classes; their nuclei are (the new, rising) elites. There is another consequence of the specific form of socialist system's organization – namely, of the fusion of economic, political and cultural subsystems – for the process of transformation: these elites (actors) have not been clearly separable. People who accumulate various forms of resources come from different spheres: individuals with accumulated political capital – former »nomenclatures« members – are becoming entrepreneurs; intellectuals are leaders of political parties; the nouveau riche have direct political influence, etc. In other words, the conversion of various capital forms has become extremely fast and massive.

It seems, then, quite logical that we cannot analyze the post-socialist transformation in class terms: the only group that *stricto sensu* represented the class in socialism – the ruling class, with its organization, defined interests, self-consciousness, capability to act, etc. – has been rapidly dissolving. And new classes have just started to shape: class relations, that are the basis for class formation, have only been appearing on the historical stage. From this point of view, the contemporary sociological discussion about the nature and role of elites in transformation process may look quite appropriate. In its present form, however, when it revolves mostly around the question whether the elites »reproduce« or »circulate«, the discussion is misleading and conceptually confusing.

The most obvious reason for the preceding conclusion is the following: to concentrate on the form of elite change means that the crucial aspect of system change – namely, the change of mechanisms upon which classes/elites are taking their positions

– is put aside. Therefore, at the conceptual and historical levels it is necessary to differentiate two processes: a) the collapse of socialism, which also means the collapse of the »nomenclature« as the class; in this process people who have accumulated (primarily) cultural and social capital have had, first, an active role in the de-legitimization of the system, and second, they have been promoting themselves into a – part of – political elite, by conversion of their resources; and b) the emerging transformation period, in which elites are shaping new social relations. By the way, top members of the »nomenclature« (proper elite in socialism) have much less chance to enter the new elites in most post-socialist countries, because of their symbolic connection with the old regime. On the other hand, the middle and lower rank »nomenclature« members (former sub-elite) encounter no major obstacles in the conversion of their capital – political, social, cultural – so that many of them enter the new (entrepreneurial, political) elite.

If we now take a closer look at the current discussion between proponents of »circulation« and »reproduction« theses on the elites in the process of post-socialist transformation (cf. *Theory and Society*, 1995), we may conclude the following. Circulation thesis may be applied with much more justification to the socialist than post-socialist elites. Namely, during the inauguration of socialism the previous ruling class was not destroyed only as a class. The legitimization of the new system required their members – and especially the members of the former regime elite's – to be prevented from any higher command posts in the new system (with very few exceptions). Later on, elite circulation continued during the history of socialism: even if the children of »nomenclature« members had a chance, above the average, to enter the ruling posts, the bulk of the ruling class members were recruited from the lower – in the last decade mostly mediate social strata (the more so, the higher – elite – positions were at stake; see the data for former Yugoslavia in Lazić, 1987, 1994).

The nature of post-socialist transformation prevents any comparable systematic policy towards the recruitment of elites. Its graduality has given time to »nomenclature« members for capital conversion. Its democratic character has given them the opportunity to stay in politics and even, from time to time, to take the elite posts – thanks to the ups and downs in the attitudes of the population. It is not surprising, therefore, that the available empirical data show a high proportion of former ruling class members among the new elites (see data on the Czech Republic in Mateju/Lim, 1995; on Poland, Wasilewski-Lipinski, 1995; on Russia, Hanley et al., 1995; on Hungary, Szelenyi et al., 1995; on Yugoslavia, Lazić, ed., 1995).

The same data may be used, however, to demonstrate both thesis: if there is no circulation, does it mean that reproduction is taking place (is the glass half empty or half full)? In order to defend this standpoint, we have to »forget« not only the fact that many incumbents of new elite positions climbed up from the lower social strata. Much more important is the theoretical misinterpretation that overlooks the key point: a systemic change has been taking place »outside« individual careers. If we use simple parallelism in terminology – speaking about (political, economic, etc.) elites in socialism and post-socialist societies – we miss the substance of historical change in which the social role of corresponding group has been changing, and with it the nature of resources they accumulate and command, the form of inter-group relations, the basis of social conflicts and so on. To put the idea in an aphoristic form: in socialism, the circulation of the elite was a part of the ruling class reproduction; in post-socialism, the reproduction of elite members is a part of the making of the new ruling class.

Let me mention just a couple of examples to illustrate the point. The differentiation between political and economic elites in socialism is extremely conditional: since politics and economics were fused, each political position implied direct economic authority; as a rule, the other way around was also true – managers of big state enterprises were members of the Communist Party central committee, etc. The »implication« was legal and legitimate. During the post-socialist transformation the divorce of economy and politics has been taking place so that it is necessary to *convert* political capital into economic capital, very often by illegal and, as a rule, illegitimate means. All intra-elite conflicts in socialism were mediated inside the top of the ruling party hierarchy. Now, political conflicts are mediated in parliaments and at the elections, while the role of the state in the economy is becoming more and more interventionist, and less and less command, so that economic competition is moving towards capital, commodity and labour markets, etc.

Therefore, instead of speaking about »how much circulation or reproduction takes place in a post-socialist country« (as Szelenyi did in Szelenyi and Szelenyi, 1995: 621), it is necessary to differentiate between: the collapse of the »nomenclature« as the ruling class in the former system; and the processes of a new class structuration, in which the elites take formative role. Here mobility studies may show – as they have already been doing – how these elites (more precisely: their personnel) have been recruited; re-stratification surveys may demonstrate the process of social differentiation; attitudes researches may witness elements of new class formation and so on. However, in order not to blur »a rather significant change in the institutional structure« (as Szelenyi formulates, in: *ibid.*), or – more precisely structural change in the mode of social reproduction, we have to abandon the static (descriptive) circulation/reproduction dualism. When speaking about a concrete historical change, at the level of people who have been accumulating economic, political, cultural capital – or converting previously accumulated capital, etc. – it seems more appropriate to use the concept of *adaptive reconstruction* of elites in the period of post-socialist transformation.

The concept of adaptive reconstruction should suggest that several processes have been unfolding simultaneously in Central and East European countries. The command form of social reproduction has been dissolving, and in this way the basis upon which the »nomenclature« was constituted has been removed. Gradual separation of political and economic spheres, together with new mechanisms of acquiring dominant positions in these spheres (market competition and political contestation), impose on the people who actually or potentially – control concentrated resources the necessity to adapt, in order to keep, or acquire, elite positions. Furthermore, a »sectorial« transfer develops in this process: what has been a unifying ruling hierarchy, wherein political and economic resources could only conditionally be differentiated, is now being divided, so that individuals are being pushed into relatively separate elite »branches«. Depending upon the different paths the transformation process has been taking in particular countries, the former »nomenclature« members are more or less successful in the conversion of their accumulated resources into new forms of capital.

3. Adaptive reconstruction of elites in Yugoslavia

In the third part of this article I will show how members of the socialist ruling class have successfully been using specific situation of blocked transformation in Yugoslavia to convert their former totalized social monopoly into concentrated economic and political capital, more suitable for the new form of social order. (By the »blocked transformation«

I understand the process in which monopoly of one group over all sub-systems of a society, characteristic for socialism, has been replaced by economic and political domination of the same group that has been used to postpone the development of market economy and political competition on the concept of »blocked transformation« see more in Lazić, 1996.)

It is not possible to elaborate in detail here the causes that have led to the blocked transformation in Yugoslavia (cf. Lazić, in Babović et al., 1997). Suffice it to accentuate several moments of the process. First, it was a pure historical coincidence that the ruling class at these parts successfully mobilized population at the basis of an ethnic (national) program exactly at the moment the socialist regimes, in Central and Eastern Europe abruptly started to collapse. Second, this group – organized now in and around the Socialist Party of Serbia – has been capable to retain the power thanks to the changed legitimization. Third, the group succeeded, on the basis of general popular support, not only to slow down the social transformation – in its own interest – but to keep legitimacy in extremely unfavorably conditions. These conditions include: breakdown of its national program, catastrophic economic crisis, historically unique form of international isolation, and even the overt rebellion of clear majority of middle social strata (e.g. in winter 1996/97). This is an extraordinary capability for survival in a situation in which any of factors mentioned would suffice alone to dethrone the ruling group. And, of course, the success is understandable only if we add to the explanation an unusual readiness of a large part of population to support the government that systematically acts against its interests.

Naturally, the readiness itself has been produced by complex set of factors that, again, I am only going to mention. First of all, conditions that were supposed to undermine the position of the ruling group were not mutually supportive; quite the contrary, they weakened each other. Population accepted an extreme drop in the GDP – to one third of the pre-war level and in living standards as a necessary consequence of the civil war. It interpreted the war as an unavoidable result of (self-defensive!) national program. It also saw the breakdown of the economy as a result of international sanctions. These were taken as a proof of the enmity of great powers against Serbs, that caused the failure of national cause, etc.

On the other side, economic crisis did not hit all social strata evenly. The members of different strata did not, then, compare their living conditions with the previous period only, but evaluated also position of their group in comparison with other groups. Drop in peasants' living standard, for example, was less if compared with the material position of the majority of urban population (cf. Vujović, 1995). Consequently, the authorities have been found in this group one of their strongholds. Also, because of the depth of the crisis – that almost completely paralyzed the economy – the redistributive role of the state became the basic mechanism for survival of the majority of population. Therefore, the existing authorities appear for many of these people not as the generator of the crisis but as the key supporter of their existence.

The crisis, also, produced atomization. Since the enterprises were inactive and hardly paid any regular wages and salaries, the bulk of population moved towards activities in the gray economy (cf. Mrkšić, 1995). Individual strategies of survival have broken any relations of group solidarity. That is why all attempts at independent union organizations have been rather unsuccessful and workers were almost completely absent from huge civil demonstrations in Serbian cities in winter 1996/97 (cf. Babović et al., 1997).

Some socio-cultural characteristics of the population are an important part of the explanation of blocked economic and political change in Yugoslavia. The most significant role

plays widespread authoritarianism – that accepts and supports the existing order at its face value, associated with traditionalist value orientations, the key element of which is resistance toward change (on the spread of authoritarianism in Serbia see Kuzmanović, 1995).

Finally, incapability of opposition parties to mobilize the population for their program of structural change represents one of the crucial elements of the blocked transformation in Yugoslavia. Their initial failure to take over the power led them to internal conflicts and splits. («Fragmentation of elites» hits particularly opposition groups, making them too weak to challenge the rule of the Socialist Party; on the importance of the problem of elite fragmentation for democratic transformation see Higley and Gunther, ed., 1992.). At the same time, their own undemocratic organizations put their destinies completely into the hands of their leaders' vanities and incompetences.

3.1 *The personnel reconstruction*

The ruling class in socialist Yugoslavia was an open group throughout its existence. It came to power by revolutionary means and was recruited mainly from the lower social strata. The same recruitment patterns were kept in the next generation, so that social origin of the ruling class members in the '80s mainly reflected the structure of the adult population in the country. (According to data obtained in my survey on political and economic elites in Croatia, 32.8, 49.4, 12.2, and 5.6% of their fathers were peasants, workers, professionals and managers/politicians, respectively; cf. Lazić, 1987: 85.) This also means that their offspring had relatively small chances (even if these chances were above the average) to »inherit« any position inside the ruling strata. (According to the same survey data, children of politicians and managers most frequently became professionals; but many of them – close to 40% – fell to routine non-manual and even manual jobs). Since the accumulation of private property was also very limited in socialism (even for the top members of the ruling group), the »elite circulation« – as mentioned above – represented the real inter-generational perspective of the ruling class members. In another words, class reproduction in socialism did not include – and even more: it in principle excluded – personnel reproduction of the ruling class.

Therefore, the actual process of social transformation has really two faces for the members of the former ruling class. On one hand, it brings the loss of monopolistic rule of the group. On the other hand, it gives an opportunity for the members of the group to reproduce inter-generationally their privileged social position, providing a successful conversion of accumulated resources has been achieved.

It was already mentioned that the possibility to retain political power during the first phase of transformation gives to the members of the former ruling class an excellent opportunity for the conversion. A survey into the social origin of the new – ascending – entrepreneurial elite in Yugoslavia shows how successfully they have been using the opportunity. In the sample of 78 owners/top managers of big private firms, the following mobility patterns (inter- and intra-generational) are found:

Table 1
Social origin of the entrepreneurial elite in Yugoslavia

	Position (in %)								
	politician	manager	lower manager	professional	self-employed	clerk	worker	peasant	other
of father	3.8	14.1	5.1	9.0	7.7	9.0	25.6	25.6	1.1
at first job	3.9	5.1	17.9	11.5	20.5	3.8	17.9	16.7	2.6

Source: Lazić, in M. Lazić, ed. 1995, p. 157

Our data immediately reveal that a large number of big entrepreneurs have fathers who held some kind of command position in the socialist system, especially in managerial hierarchy. This disproportionately high number (4-5 times larger) clearly indicates the size of resources' conversion that makes possible inter-generational reconstruction of the former ruling class: descendants of its members become (a part) of the new entrepreneurial elite. The conclusion is even stronger if we include into the picture data on the positions our respondents held prior to taking up elite posts. It shows that almost 45% of big entrepreneurs belonged to the command hierarchy (21.6, 18.9 and 4.1% to higher managerial, middle managerial and politician stratum, respectively; see *ibid.*, p. 158). Finally, the conclusion is further supported by inclusion of a »lateral« link: some 10% of spouses of the entrepreneurs occupied command positions, either managerial or political. Putting all the data together, it comes out that more than 60% of the members of the new entrepreneurial elite in Yugoslavia come – directly or indirectly, through »mediation« of their fathers, spouses, etc. – from the former ruling class. It is apparent, now, that a very important role in the formation of this group has been played by socialist hierarchical structure: a position in the ruling class – primarily in the public companies – provides an important basis for the establishment of sizable private firms.

However, we should not miss the fact that many members of the new elite have also been ascending from the lower social strata. The largest particular sub-group started its career in small private business, and later on climbed to the top of entrepreneurial hierarchy. Of course, they – including the people with peasant, worker, clerk, etc. origin – have been using exceptional conditions of: civil war, international isolation, the collapse of legal system – to enrich themselves in an extremely short time. But putting aside the problem of what kind of entrepreneurial abilities served as the basis for their business success, the fact that remains is that this group of *nouveau riches* has gradually been merging with a transformed part of the former ruling class to make a new economic elite in a changing society.

The same process of elite reconstruction may be found in the sphere of politics. The Socialist Party succeeded in securing the majority in the Parliament at the first – and all consecutive – elections after the introduction of the pluralist system. This has been giving to the leadership a possibility to retain control over the majority of state apparatuses, so that members of the former ruling group has been keeping posts in the political elite. At the same time, however, top members of several opposition parties entered representative bodies of the state. Also, these parties have seized control over some very important municipal governments – in big cities – after the last elections in November 1996. The new incumbents penetrated the political elite in this way, and we registered the novelty in our empirical data collected in a survey made in spring, 1997. (table 2)

In the former Yugoslav socialist system politicians were recruited (inter-generationally) from all social strata relatively proportionally (cf. Lazić, 1987). Even if they started their careers at social positions that were somewhat higher in comparison with their origin (peasants were highly under-represented, while professionals were over-represented; cf. *Ibid.*), the present pattern shows quite different characteristics. Our data demonstrate that the new generation has been overwhelmingly recruited from the middle (professional) strata. Certainly, it is necessary to mention here that the sample had one serious shortcoming: it was very small (24 respondents). However, some additional data may corroborate our conclusion: almost identical pattern of recruitment was found among the members of the sub-elite (politicians who have the highest positions in big cities' governments, 69.6% of which are recruited from professional positions; source: the same

as in table 2). Also, the fact that among the leaders of five largest opposition parties four of them have PhD degree and the fifth is a novelist, clearly corroborates our findings.

Table 2

Social origin of the political elite in Yugoslavia

	Position (in %)							
	politician	manager	lower manager	professional	self-employed	clerk	worker	peasant
of father	–	10.0	5.0	25.0	10.0	5.0	35.0	10.0
at first job	12.5	–	–	70.8	–	16.6	–	–

Source: M. Lazić et al., The Re-stratification in Yugoslav society, unpublished survey data

Therefore, it seems reasonable to conclude that the political elite has started a process of in a way that would highly limit the possibility of people at social positions to enter the higher elite ranks, and would (hopefully) contribute also to an increasing role of expertise in the sphere of politics. The first point is extremely important in view of the fact that the ruling class in socialism was very non-homogenous. Status inconsistency was characteristic of the most members of the class, and represented one of the reasons why the class unity – at the level of both behavior and consciousness – had very often to be imposed from the highest hierarchical levels instead of being inherently reproduced. (By status inconsistency I mean incongruity of: hierarchical position of an individual, his/her educational level, position of spouse, children, etc. See more on this concept in Lazić, 1994) The second point is all too evident to anyone living in a socialist country, where an individual – especially during the first phase of system' development – could consecutively run state agencies in the fields of culture, mining, defense, and so on.

3.2 Reconstruction of material position

All surveys into the material position of social strata in Yugoslavia done in the '70s and '80s, showed that only the elite part of the ruling class fared much better than the rest of population. At the same time the living standards of the main body of the class did not differentiate much from the mediate class. In my survey of social differentiation done in 1989, it was found that »middle« material position was modal for politicians, managers, professionals, clerks, and small entrepreneurs. »Lower middle« position was modal for manual workers, and peasants, while only 6.2% of politicians and 2.6% of managers – together with 2.6% of professionals – had »high« material position (comp. Lazić, 1994: 73). Furthermore, *privileges* represented the basis of the specific way of life of the elite, and these privileges were only partially transferable to wealth that descendants could inherit. The social transformation, however, provides solution for both problems of the former ruling class: social differentiation becomes legitimate, and privatization inaugurates mechanisms for inter-generational transfer of living standards.

I will document the first point using results of two surveys on material position of social groups. The indicators which entered the composite »index of material position« included: income (personal, family, per head), housing (itself composite of several variables), household fittings and appliances, possession of cars (number of, market value), and the way summer/winter holidays were spent; the possible score at the index scale ranged from 5 (high) to 1 (low). (It should be mentioned that indicators in the two surveys were almost – but not completely – identical; the same holds for the construction of indexes; this means that comparisons of relations between groups in individual surveys are only fully reliable.)

Table 3
Index of material position of social groups (means)

group	year	
	1997	1990
big entrepreneurs	3.68	–
politicians	3.36	3.40
managers	3.09	3.35
small entrepreneurs	3.00	2.99
professionals	2.15	3.07
clerks	1.82	2.69
peasants	1.62	2.00
skilled workers	1.56	2.27
unskilled workers	1.42	2.08

Sources: (1990) Lazić, 1994

(1997) M. Lazić et al., Re-stratification in Yugoslav Society, unpublished survey data

The data suggest several obvious conclusions. Big entrepreneurs, who practically did not exist in 1990, occupy the top position at the hierarchy of material position. But besides this quite expected finding we have to notice that two other groups based upon private ownership have also moved up at the scale (small entrepreneurs, and peasants). Therefore, it is clear that the new axis of social differentiation has clearly started to shape the structure of Yugoslav society. We may also see another consequence of its work: the growing differentiation. It is clearly visible – without any particular statistical measure – that the top of pyramid moves up, and the bottom sinks. Also, »continuity« that characterized the spread of un-equalities in 1990 is changed into »discontinuity« in 1997. What we may conclude, then, is that social polarization takes place, and a gap starts to appear between the elite categories and the rest of population. (The entrance of small entrepreneurs into the upper group may be explained mostly by the fact that market in Yugoslavia has been completely unregulated – either internally or externally; this gives the group an opportunity to un-proportionately improve its economic position in conditions of deep economic crisis.) Finally, we should not miss the fact that politicians fare better than managers in 1997, and moreover, that they even improved their relative position. This, I think, clearly shows, that political regulation of social reproduction still prevails in Yugoslavia – a conclusion that partially runs against the one mentioned above, about the increasing role of private ownership as the basis of differentiation. However, I would say that this inconsistency is factual and not logical one, and that it demonstrates the processual character of social change in the country.

Finally, it is possible to conclude that reconstruction of material position of the elites in Yugoslavia includes two elements: increase in their wealth (in absolute terms, and relative to other groups), and, more importantly, change of the basis upon which the wealth rests. (Change in the ownership of apartments nicely shows how these two things are mutually connected: privatization of apartments – for trifle – transferred into the elites private property hundreds of thousands US dollars, that might be passed now to descendants, sold, etc.) The second process includes two directions: conversion of former privileges into the private property of political and managerial elites; and influx of former ruling class members into the newly emerging entrepreneurial elite (the proportion of which was demonstrated above) that is becoming the *nouveau riche* in the society.

3.3 Reconstruction of ideology

In the fast part of this section I will demonstrate very briefly how the change in the conditions of reproduction of the dominant social groups has been accompanied with a corresponding change in their ideology (taking the term in its »neutral« sense – to mean the rationalization of groups' interests). However it may look strange now, a clear majority of the ruling class members in Serbia firmly supported the fundamental principles of socialist outlook well into the 1990: they condemned both the multi-party political system and market economy based on private property (cf. survey data in Lazić, 1994). While forced by outside pressure to legalize already existing opposition parties and organize parliamentary elections in the last quarter of that year, the Socialist Party froze the legal privatization process until the end of 1997. (Spontaneous rise of the private sector in the economy was, naturally, used for the benefit of the ruling party' cadres; see on the ups and downs of legal and real privatization processes in Yugoslavia in Lazić/Sekelj, 1997).

Since the political pluralism became legitimate and – therefore – generally accepted, a research on attitudes of the elites concerning this topic seems less important at the moment. But an overview of elites' ideas on (»problematic«) market economy may uncover some interesting features. Unfortunately, I did not collect data on this topic in my survey, so that it is necessary to use findings of another survey – completed also in the summer, 1997 – where politicians (all members of the ruling Socialist Party) and managers of state enterprises were sampled together.

Table 4

The share of private sector in the economy should be increased (in %)

social group	agree	un-decisive	do not agree
politicians/managers	71.4	14.3	14.3
entrepreneurs	88.7	8.1	3.2
professionals	75.4	14.8	9.8
workers	63.2	24.5	12.3

Source: Research agency »Argument«, unpublished survey data

It may seem at first sight that clear majority of members in each social stratum recognize the necessity of further development of Western-like economy in the country. But on the other hand, the number of those who do not straightforwardly accept what has everywhere become a »common sense« notion may look surprisingly high. It is, however, quite understandable that many workers – in a situation of extreme economic crisis, when survival of most of enterprises depend upon state subsidies – are suspicious towards any break of direct relationships between the state and economy. Also, it is obvious that politicians and managers – whose (previous and present) positions, power, etc., depend upon the existing economic system – may feel any radical change to threaten their actual status. What I really want to stress here is that the above data may serve as an indication of continuation of an extremely slow pace of post-socialist transformation in Yugoslavia. Namely, as findings warn, there is an obvious resistance of lower social strata to faster structural change in the economy; and this resistance practically supports the ruling groups in their use of the slow pace of transformation to their own benefit.

Further confirmation of previous conclusion may be found in attitudes of elites' members – but also of members of other social groups – towards the transformation process in general, that were directly expressed in the same survey:

Table 5
What is the most acceptable direction of social change (in %)

social group	return to socialism	development of capitalism and democracy	continuation of present situation
politicians/managers	14.3	47.6	38.1
entrepreneurs	8.0	75.9	16.1
professionals	9.8	77.1	13.1
workers	14.4	57.2	28.3

Source: Research agency »Argument«, unpublished survey data

The results obtained reflect the present situation of post-socialist transformation in Yugoslavia very clearly: two groups support the change without much hesitation, while the other two groups are deeply ambivalent (unfortunately, the first two groups are inferior in power and in size). But what is more important to us now is that elite groups are divided on this issue, and that two division lines exist here. It is quite obvious that interests of entrepreneurs – at least in the long run – go with the market and pluralist transformation. (We must not forget that majority of them »abandoned« the former ruling class very recently, and that they as a rule used the »delay« in the process to achieve successful capital conversion.) Politicians and managers – in our case also members of the former ruling class, who still keep dominant social positions – are, however, internally divided: roughly half of them accept (at least verbally) the necessity of change, while the other half prefer the reproduction of existing relations that allow them the possibility to continue their social domination.

Looking at our attitudinal data from another angle, the following conclusion is possible. A part of the former ruling class who entered the entrepreneurial elite – »absorbing« a sizable number of »outsiders« – accepted new value orientations (pro-market and pro-liberal) in accordance with its new social foundations. The other part – who still succeeds to keep the dominant political and economic positions – has been gradually forced to change some of its value orientations (acceptance of political pluralism and step-by-step privatization). Consistently enough, however, it prefers a *slow process* of transformation over its completion, assuming – probably rightly – that this will help it to preserve the present position as long as possible. Taken together, all this confirm that gradual reconstruction of elites ideology has been taking place, as much gradual as the process of transformation itself is.

In this way it is possible to conclude briefly our whole argument. Cited empirical data show that what happens during the post-socialist transformation process at the top of Yugoslav society is not simple circulation or reproduction of elite, or part of this and part of that; it is really a reconstruction. The arising elites, with the new reproduction basis and new social role, forged by previous »cadres« and »refreshed« by new incumbents, produce a social order in which they are becoming the kernel of the new ruling class.

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