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**Learning from earlier crises: what the postsocialist ‘transition’ can teach us abut the post 2008 European ‘crisis’**

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Abstract:

The financial crash in Europe and North America in 2008, and the unsettled period of uncertainty and austerity which has followed it, bear marked similarities to the collapse of the eastern bloc socialist economies in 1989, and the restructuring programmes, with all of the social consequences that these entailed, that were unleashed over the following decade. In this paper I consider the immediate and longterm impacts of de-industrialisation, retreat of the state in terms of provisioning of social support, and widespread unemployment on relations between generations in Poland in the 1990s. I draw parallels between this critical moment of socio-economic rupture in eastern Europe, and effects of and responses to crisis and austerity which are currently being recorded by anthropologists working in the UK and in southern Europe. I focus particularly on gender relations, economies of care, and shifts in inter-generational relations, social and economic responsibilities, and practices of reciprocity in the context of inter and intra household dealings.

Marx commented that history repeats itself the first time as tragedy, but the second time as farce; reading the papers and listening to the news from Europe and North America after the crisis of 2008, watching the austerity measures imposed by the IMF and the EU on the incalcitrant ‘southern’ members of the Eurozone, witnessing the almost total dismantling of the welfare state in the UK under the leadership of Cameron and Osborne, and finally looking on in disbelief as the European Union nations and their bordering states do everything in their power to close their borders to hundreds of thousands of people who risk, and often lose, their lives in search of a safer and better life, it is hard not to think of past crises in Europe. The massive movements of people across Europe to escape Fascism, the movements of refugees after 1945, of the apparently endless migrations of people north and west from the Balkans during and after the 1990s wars, all come to mind as we witness the accounts and images of people fleeing Syria, North Africa, Afghanistan and central Asia, hoping to make some kind of future in Europe. Cameron’s austerity plans in the UK bring back vivid images of the social and economic destruction of the Thatcher years, but also of earlier brutal restructurings in South America, under the direction of the World Bank and the IMF and Jeffrey Sachs, and again later, the draconian and triumphal restructuring of the east European economies after 1989. Apart from expressions of totally appropriate political and moral outrage, it seems to me that we need to reflect on these repetitions, which I would characterise as increasingly tragic, and sadly lacking in farce. When Susana asked me to speak in this session, I immediately thought back to a seminar paper on the crisis in Greece which Daniel gave at Goldsmiths, where I teach, and to our discussion afterwards about the striking similarities between what he was witnessing and discussing in 2014, and what I recorded and tried to make sense of in Poland in the 1990s.

So, in the light of these reflections and in response to Susana’s request, I submitted a slightly pompous title about Learning from Earlier Crises: What the postsocialist ‘transition’can teach us about the post-2008 ‘crisis’. I am not sure, even, that this is precisely the question I want to talk about today. Rather, I want to look at some of the consequences, immediate and long term, of the Polish restructuring, and to try to assess these in terms of moments of rupture which unsettled the familiar, and introduced the strange.

I want to talk about 3 distinct critical moments:

1. the Balcerowicz re-structuring in the early 1990s, and its impact , immediate and long term, on the textile workers in Lodz
2. the opening of the borders between the socialist bloc and the rest of Europe, and the impact of this on migrant labour
3. the entry of Poland into the EU, and the impacts of this in southern Poland

Each of these critical moments generated enormous change in relations between generations, in expectations and ideologies about economic security and social reproduction, and in representations of the past in the present – ie shifting temporalities. All of them, I think, have implications for the current situation in the EU, and in the ‘western world post 2008’. They may not show us the way forward, but they may highlight some of the perils and dangers, and indeed tragedy, of history repeating itself.

Recently critiques in social science of global capitalism, notably from Gibson-Graham, Harvey, Hart, and comments on the post 2008 ‘crisis’ have pointed to the need for new ways of thinking about economy, and of understanding the articulation between the economic and the social. They call for an awareness of possibilities other than the rational, individualistic premises of neo liberalism that can and might provide a more social and humane basis for economic organisation. A reversal, perhaps, of Thatcher’s famous proclamation that there is no society, only families and individuals. What is striking about such alternative ideas is that they are in absolute opposition to the arguments for austerity which propelled the programmatic restructuring of state owned industry, public sector institutions, and social benefits, social security health and education services demanded by the IMF and other external economic institutions in eastern Europe following 1989. Unlike the equation of economic restructuring and cuts in public spending – the parsimony reflected in the obsessively anxious discourses of frivolous frittering away of “the taxpayer;s money”. The ideology of socialism emphasised human value realised through labour, full employment, and a social contract between state and citizen based on mutual obligations and entitlements. The ideology of the new capitalism emphasised individual responsibility, private ownership, and profit-driven business models. From the familiar to the strange. Or, depending on whom you were talking to, and how old they and their memories were, back to the familiar, after a 50 year episode away with the strange.

One of the most striking aspects of the eastern European restructuring after socialism, and particularly the extreme Polish case, was the utter blindness, or perhaps disregard, that the policy makers displayed to the social costs. The first targets of restructuring were light industry, the public sector, and agriculture (the collective farms). Later, heavy industry - steel works, shipyards and mining -was to be targeted.

There can be no doubt that there was a great deal wrong with the organisation of both light and heavy industry during socialist times. Distribution and production were both woefully inadequate; centralised planning did not work. Local corruption was rife. However, in terms of local experience, employment was organised around kinship and neighbourhood groups, involved long term, inter-generational dependencies and reciprocities, and generated the entitlements that Humphrey, following Goffman, has referred to as those of the ‘total social institution’ – ie rights to housing, childcare, healthcare, subsidised food etc.

What did it mean to people to lose those entitlements? What did it mean to whole communities, neighbourhoods, towns and cities, to lose those entitlements over night? What had been familiar had been both the corruption and inefficiency of actually existing socialism, and the security and entitlements that made daily life possible and often good; what happened when the familiar was shattered and fell apart, and the whole everyday normal was systematically dismantled?

I want to consider these questions through a brief examination of 2 areas of Poland where I did fieldwork, Lodz and Lublin: until the 1990s Lodz was the centre of the Polish textile trade, known as “the city of working women”; The Lubelskie region around Lublin was officially the poorest and most backward region of the EU in the period immediately following Poland’s accession in 2004.

After 1989, during the most intense period of IMF inspired re-structuring under the Balcerowicz Plan, named after the then Minister of Finance, Leszek Balcerowicz, the textile factories, other light and medium industries, and much of the service sector in the region were cut – “rationalised. By 1991 the official unemployment rate in the region was about 25 to 30 per cent (it is of course hard to be accurate as many people, like farmers’ wives etc, were not entitled to the new unemployment benefit, and many did not register as unemployed). Unemployment of women reached 50 per cent. Over a period of about 5 years I interviewed employed and unemployed textile workers in Lodz and in nearby villages and small towns surrounding. I spent time in factories and was given free access to the newly opened unemployment offices, where I was allowed to interview new and longerterm claimants, and those registering as unemployed. I talked to managers and shop floor supervisors, and trades unions officials, in many of the factories that were still operating, and I talked to people who had set up their own businesses, in their houses, equipped with machinery that was being sold of by liquidating factories. In the villages, I talked to farmers who were facing the collapse of their produce markets, the undercutting of their produce by cheap European imports, and the inability to meet the rising costs of fodder and fuel. I spoke to former town dwellers who had returned home to the farms of their parents and siblings, and were working as labourers to meet their keep. And I talked to impoverished farm workers on liquidated PGRs (state farms) who had nowhere to go and nothing to do except sit and drink.

It was for many a very bleak time. More than a decade later, I did similar research in Lublin, as Poland was entering the EU, and as the economy of the Lubelskie region declined in a way similar to that of Lodz earlier – the major factories- automobile and helicopter- closed down, were bought by foreign investors, closed down again. Smaller factories – chocolates, tobacco, etc – struggled to keep open, but drastically reduced their workforces and their numbers of shifts. Agriculture, both private farming and PGRs, was in severe decline. Some hope was pinned on EU subsidies, but most people were very cynical about the possibilities of getting funding unless you had computer skills, literacy, some capital or collateral to begin with, and above all, the right connections.

In the Lodz region in the 1990s, in the short term, the cuts, which closely resembled the austerity programmes being pursued in/imposed on the UK, and slightly differently on Greece, Spain and Portugal, generated a range of responses and effects. I have written extensively about this period, and here I just want to highlight certain areas of change.

The category of workers worst affected by the cuts were women between 30 and 65; the majority of these were textile workers, but there were also workers in other industrial enterprises, in shops, services etc. What was most striking to me about the women I spoke to during this period was their perspective on their pasts, particular on their working histories, and their absolute inability to imagine any other future, or to desire any other. In this, they resemble closely not only Polish unemployed workers I interviewed in Lublin/eastern Poland more than a decade later at the point of Polish EU accession, but also miners, steelworkers and other industrial workers interviewed by other anthropologists, by sociologists and by journalists throughout the former socialist bloc, and also in the UK, the US and other western countries, in the face of massive closures of pits, steel works, ship yards etc. Individual and group narratives from all of these very different areas tell time and time again of feelings of loss and despair, not only of income, but of identity and personhood formed through work, of the sociality of the factory floor or the mine, of dignity and pride in skill, and of the sense of being visible, of recognition. Underpinning many of these narratives are accounts of loss of community, not just in terms of personal relations, as people turn inward, stop meeting each other at work, stop socialising, but also as people leave, migrating out in search of new work, and as families break down and disperse, where before they had been in the same place, and the same work, generation after generation; as the source of livelihood disappears, particularly in one industry towns or villages, the infrastructure disintegrates as well – shops and health clinics and libraries and schools close, services are cut or re-located, the very fabric of social and economic life is frayed and eroded.

For many people who lost their work in these massive socio-economic rearrangements, the erosion of working life and community continues; these are thrown-away people, who will never find employment in their own field again, and possibly will never again find any kind of paid employment. Ironically, these are often the people who have been the heroes of labour history, and the lords of labour, socialist and capitalist alike – the stakhanovite workers in steel works, ship yards and mines, the Fordist worker driving the production line in automobile and other big industry, the textile workers. As these enterprises of scale collapsed in both socialist and capitalist economies, individual workers, and their families and entire communities lost their centres. Inability to imagine different futures, longing for the familiar and fear or distrust of the stage, lack of resources and connections to make other realities a possibility – all of these factors play into the cycle of irreversible loss which interrupts inter-generational transmissions of skills and knowledge, and which creates un-mendable ruptures between generations, in terms of social, economic and affective reproduction.

Two quetions interest me particularly here, however, in terms of rupture and change, and imaginings of pasts and futures. The first is, in these areas of work and community breakdown, in this creation of a throw away generation, who are the ones who DO escape into new kinds of work or economic activity, who can imagine different futures, and who manage to make new lives? And what sort of economic structures, capitalist or other, do they produce? The second question is after the rupture, the loss of work and working lives of a generation, what do the next generation – their children- do, and where do they go? What new structures do they generate, or do they adapt to and learn to live within?

In the two Polish cases, those who managed to turn around their economic situations with some degree of success after losing work were most likely to set up small businesses or entreprises, often located in their own houses, and often drawing on resources and knowledge gleaned from their previous work and trade. In the Lodz region, as I have described elsewhere, this usually involved setting up small sweatshops, employing 3 or 4 former textile workers informally, and for limited periods (less than 3 months) so as to avid responsibility for employers’ contributions. The owners of the sweatshops were usually male, and the employees usually female – often family, kin or neighbours. Different neighbourhoods and villages specialised in different products, reflecting the demise of a local factory – computerised embroidery, tights, blouses, shirts, jeans. Most of these entreprises were precarious – the female workers barely earning enough to cover their basic living costs, and the profits, if there were any, accruing to the employer. A few people managed to do very well. One small house based entreprise, for instance, consisted of a husband and wife in their 30s; she organised the labour, drawing on her friends and kin, usually of her mother’s generation, with whom she had worked in a big textile factory before It closed down. Her husband handled the sales and distribution, and travelled all over Poland, selling their shirts to small shops and boutiques, and market stall holders. By their second year, their business was flourishing, they had expanded slightly, and they had a steady market for their goods. They talked of expanding into other lines of goods – eventually deciding to diversify some of their profits into setting up a poultry farm. This kind of successful entrepreneur was unusual however, and the success I think owed a great deal to the shrew intelligence and good management practice of the young couple, and the fact that they maintained a steady workforce, drawing primarily on kin, paying them slightly above average, and offering them long term employment. More common were stories of enterprises folding after a few months; or keeping going but barely making enough income to cover costs. In villages, most households, particularly those who had taken in additional members as workers lost their jobs in town and came home, diversified their economies. Many women sold small amounts of produce – eggs, cheese, apples, vegetables – in local markets, and also worked shifts in local sweat shops or took in outwork. Many men took additional work as drivers, or in construction. Interesting, in this area, at this time, almost no one I talked to considered leaving the region, let along emigrating, temporarily or permanently, to another country for work. My impression is that when the migration did begin, it was from the next generation, the young people now in their twenties, who were born at the end of or after socialism, and came of age in the era of the EU.

In this area during the restructuring process people were preoccupied and traumatised by the loss and fragmentation of big industry, as well as of steady, regular and honourable work. Work and the lack of it dominated conversations. When people planned their futures, it was very hard for them to imagine making a clean break from what they knew, either spatially or temporally. The socialist past was looked back on by many as a time of security, and of a proper social contract between the people and the state – a well as a time of modernity and progress. Many people were angry and disillusioned about the loss of the stability, and frightened by their new positions in an economic world which was increasingly fragile and precarious. They brought bits of the past into the present, as massive textile plants were disaggregated and their machines and tools sold off, to be re-located in fragmented form, in private houses and workshops. But for most people, these were moves backwards, back to a pre-modern past. When people dreamed of change, and a new future, it was usually for their children, not for themselves. I was struck by how many women, particularly in villages on farms, were adamant that their daughters must have a different future, must get a different training, and move away.

In Lublin, a decade and a half later, many of the same patterns could still be observed. People set up small entreprises or businesses, drawing n skills and training they had received at he time of full employment – many men set up business as mechanics; in a nearby village where there had been a sheepskin factory, many houses had sweatshops making sheepskin slippers and cushions in the basements. However, what was different in this area was not so much the view of the past – many of the unemployed people I spoke to remembered the socialist past, even after a decade and a half had passed and the worst period of restructuring was over, as a time of security and safety, of proper order and proper employment – as hopes and dreams for the future. Rather than remaining frozen in a past doiminated present, people of all ages were looking towards a mobile and flexible future – everyone I interviewed had been abroad, usually to the UK or to Germany, had family abroad, or was planning on migrating shortly. Nearly all of them saw migration as a short term solution – they planned to go away to earn money in order to be able to make a better life when they returned – to build a house, set up a small business, move into something new. (Sadly, what most of the current research I have been reading seems to suggest is that very few people succeed – they either come back, spend their earnings quite quickly and go abroad again, or settle on a low paid job, very like what they had wanted to get away from).

These are common stories of the late 20th and early 21st centuries - not just the demise of state socialism, but more generally the demise of big industry (ie see the 7th framework MEDEA project on steel industry, or the MPI’s big industry project.)The huge modernist projects are bing unravelled, or have already imploded, and from their ashes emerge a plethora of small, individuated or family based entreprises, and of workers on zero hour contracts, with no security and few rights – a very different kind of economy, and one in which class politics, or class consciousness, appears often to become increasingly polarised or fragmented, or just to be absent.

I want to end with a look at the factories themselves. What happens to these industrial spaces, which once employed hundreds or even thousands of people, producing cars and planes and textiles and lightbulbs 24 hours a day, 7 days a week? In Lodz, initially some of the biggest, oldest factories were closed completely, their assets stripped and sold. One or two were bought out, for a minimal price, by Italian and German companies, who imported new and more modern machinery, and their own management regimes. They operated with vastly pared down workforces, and most of what they manufactured was sent immediately for export, often labelled made in Italy or made in Germany. In other words, the entire nature of the factory enterprise changed- the factories basically became sites for outsourcing and benefitting from cheap, foreign production. One factory where I spent a lot of time was different. The manager was a young local man who persuaded the workers to join him in setting up a cooperative – in which they all held shares. He realised he had to let some workers go, but managed the cuts carefully, not replacing people of retirement age, and cutting the jobs of those with alcohol or other problems which influenced their work negatively. For about a year they managed to keep going, but eventually could not sustain the wages and other costs. The manager approached foreign investors, and persuaded an Italian and a German company to buy shares. Again, it went along apparently unchanged for another year or so, still producing primarily for the local Polish market, although now exporting a small proportion of their products. Another year passed, and the last time I visited, the factory was still operating, but with a much reduced staff; the Germans and Italians had the controlling interest, and all production – except smuggled out ‘seconds’-was now for export. Similar stories can be found in Lublin, and of course in other parts of the country as well. In Lublin, 2 factories where we did interviews, one a chocolate factory called “Solidarnosc” and one a tobacco factory, had remained open throughout the postsocialist period, although they were both experiencing increasing financial difficulties. The chocolate factory is still operating – most famous for its chocolate covered plums – and seems to be successful – it was in the mid noughties adopting an increasingly western management style, with a streamlined workforce. The tobacco factory seemed at that time on the verge of bankruptcy. Interesting, its management remained very much in the old style. They employed people whose family members were already working there and were a known quality, safe, steady and reliable. They tried very hard not to lay anyone off, although they closed for long periods when the tobacco cycle was dormant. They also hired the same group of Ukrainian itinerant workers who had been crossing the border to work the harvest as long as anyone could remember. Compared to the chocolate factory, this enterprise seemed to be trying to uphold what they saw as the principles guiding production during the socialist period. The biggest plants, the automobile and the airplane ones, have gone trough many incarnations since the 1990s - bought by Koreans, sold again- closed for a time- opened up again with a different foreign ownership. They are unstable, never quite successful, never quite abandoned, like much of Polish industry.

But the most gripping story is one that takes us back to Lublin, and to one of the biggest old textile factories, a gothic red brick building built in the 19th centuries, and reminiscent of a setting evoked by Dickens or Zola. When I visited it in the early 90s, it was under German management and the workforce was very unhappy. Many women I spoke to said they would not work there, even though they had no money and were desperate for work, because of the harsh conditions and discipline. Eventually production ceased, and the building was sold off. It was bought up, and developed by a team of architects into an enormous and extravagant shopping end leisure centre, like a small village of consumption, named Maufaktura (I suspect without irony). Unfortunately, it seems that there is no work there for most of the former workers in the big state enterprises: they are now too old, too damaged, too out of touch with new skills. This is another kind of imagined future, a space from which production has disappeared, or become fragmented and invisible, and all attention is on consumption.

The current crises, and the entanglement of pasts and futures, force us to consider our apparent inability to learn from the repetition of histories. In the case of the collapse of the socialist world in the 1990, we remember the huge social costs of economic restructuring, the creation of new, in-secure societies, the mass movement of people in the wake of the Yugoslav wars, but also as a result of economic exclusion, other ethnic and nationalist disputes, and general loss and poverty. A quarter of a century on, the people in many of these regions are still excluded, living on the edge, no longer able to participate as full citizens and workers in a stable political economy. We need to think of other ways of regulating economies, of responding to local, regional and global crises, that do not increase polarisation and widen the gap between the haves and the have nots, the ever shrinking west and the ever expanding rest. What these examples I have discussed suggest is that local solutions need to be encouraged and supported, and local resources, including labour, need to be consolidated rather than fragmented, sold off in bits, and moved unevenly in both spatial and temporal terms. Unless we are able to do this we seem poised to continue on this cycle of repetition, which leads over and over again to crisis, generating unemployment and precarious economic relations, for which austerity policies, sporadically and unevenly punctuated by injections of (foreign) capital into specific and often speculative growth projects, seem less a path to recovery than a punishment of the victims.