ВОСТОЧНОЕВРОПЕЙСКИЙ И ПРИБАЛТИЙСКИЙ КОНТЕКСТ ТРАНСФОРМАЦИОННЫХ ПРОЦЕССОВ

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Представлены трансформационные процессы, которые происходят в странах Восточной Европы и Прибалтики с конца XX в. до настоящего времени. Предпринята попытка описать основные трудности, возникающие на пути изменений, и найти их истоки. Отмечается, что процесс трансформации в разных странах приобретает свои черты и особенности, что ведет к формированию нового социального устройства и экономической модели.

Ключевые слова: трансформация; социальная трансформация; трансформационный период; периферийный капитализм; социальная политика.

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THE EASTERN EUROPEAN AND BALTIC SCOPE OF TRANSFORMATION PROCESSES

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This paper is a way to present the transformation processes, which have been taking place in Eastern Europe and Baltic states since the end of 20th century up to now. It is an attempt to describe the main difficulties, which appear on the way of changes and to find their origins. The main idea is that the process of transformation, which began the same way for all countries, developing and moving through time, acquires its own features and peculiarities, which leads to the formation of a different, dissimilar version of the social structure and economic model.

**Keywords:** transformation; social transformation; transformation period; peripheral capitalism; social policy.

**Introduction**

The term «transformation» has arisen due to the fact that conditions have developed a need to assess the qualitative characteristics of fundamental changes in systems, which are irreversible and form a certain state of transition to a new state on the way to the formation of a future model [1].

Transformation is applied to society when it refers to changes in the social system itself and not just its individual components. It is necessary to distinguish social transformation from other concepts that express notable social changes, such as morphogenesis, reformation, reproduction [2, p. 262].

Social transformation expresses the programme-project activities of social, economic and other actors, in which the processes and relations of society are combined with some norms, standards, expressing the properties of an ideal, defined by the subjects meaningful and symbolic environment. Social transformation is a given and developed measure of necessary changes, within which there is a selection of the most significant and promising, there is adaptation of society to changes in the environment through the formation of programmes, projects, goals, technologies, resolution of contradictions, etc. [3, p. 9–10].

The study of transformation processes inevitably raises one question. It is the question about the relationship between transformation and modernisation. There is an opinion that any modernisation is a transformation, but not any transformation is modernisation. When the situation is the opposite (the transformation that led to the decline of social and economic systems), then it is simply not possible to talk about modernisation [4, p. 28].

In his post-industrial concept D. Bell spoke about the equivalence of three spheres: politics, economy, culture. He introduced and applied the axial principle, showing that social institutions, relations and processes are not conditioned by a single factor, as they are located on different axes. D. Bell also identified three axes of development of social transformations: the axis of techno-economic and property relations, the axis of political development and the axis of cultural development. He believed that all these axes are independent, but can influence each other [5, p.15; 6]. Speaking about transformation and social transformation it is necessary to pay attention to the concept of transformation period in social development. Transformation period is a special historical subsystem, which reveals its own structure, its own development trends and its own methods of regulation [7, p. 10].

The identification and analysis of general principles and properties of social transformation allows us to study the socio-historical development of society from a different angle – clarifying the relationship between the objective and subjective, spontaneous and systematic, thereby designing the path of transformation. Thus, transformation is not just a change in the content and function of a certain sphere of society, but it is also a condition for optimising the changes themselves, and the development of society depends on the process of social transformation.

**Past, present and future is synthesis in the value systems of a transforming society**

The process of active regulation of economic activity by society has led to a new form of relationship: the interaction of two systems (economy and society). All material technologies and processes in the economic environment exert pressure on society’s institutions and lead to their transformation and the adoption of adequate social technologies. «The three great transformations» is a framework which includes an analysis of the study of the stages of the development of capitalism, and distinguishes them primarily on the basis...
of whether the economy determines society or society determines it.

The first great transformation (1815–1914) was characterised by the formation of internal markets which reproduced traditional societies; their subsequent expansion beyond individual societies and their impact on traditional societies in the direction of change; the rise of capitalism and the break with traditional societies. The market first had an internal nature and only later became worldwide. The liberal state acted within the limits of its sovereignty. The second great transformation «between two globalisations» (1914–1989), this period is characterised by the following: organised society acquired new forms, among which communism and socialism stood out, along with organised capitalism. The third great transformation, the «new globalisation» (1989 – present), was characterised by the following: the subject of modernity and capitalism was at the centre of theoretical reflection because of the experience of non-Western countries, above all in Asia, which undermined the understanding of modernity. Dominated by rather, the idea of the beginning of history, a new history involving the whole world – not only the West, but also the new countries of capitalism on the ruins of communism, the rise of Asian communism following the industrial path, the second globalisation and a host of other events belonging in importance to the historical [8, p. 17, 135–137, 251, 321].

The fact of the existence of societies that have been closed in the recent past has caused disharmony between expectations and reality within such societies. The economic reality of the past era has been superseded by the new socio-economic order. Neo-liberal economic practices were presented as a necessary remedy for the inefficiency of the state socialist system. Society was divided into two camps: those who supported the old order and those who stood for radical reforms. The synthesis was based on a relatively cohesive system of values from the old system and hopes towards the new system. Among the positive values of the old order were full employment, social protection, cheap and generally accessible infrastructure. The expectations associated with the new system were greater prosperity, unlimited consumption, and freedom. Many hoped that this order would not last and would be gradually replaced by a public market economy system. The idea of a public market economy was interpreted as a welfare state with a stabilised standard of living.

The economic crisis in all the countries of Eastern Europe and in the Baltic states over the last ten years has pointed out to all transforming societies the barriers to development, as well as their place in the classification, which can hardly be called privileged. Many of the processes that characterise «peripheral capitalism» (a concept introduced by R. Prebisch [9]) have had a negative impact on the social systems and economies of these countries. Concepts such as «Eastern markets», «European tiger», «the best on the way to the EU», in fact, only retouch the essence of the problems in the systems of transformation.

The economic and social problems in the Eastern European countries, the Baltic states, are problems typical of such communities and economies of peripheral capitalism. They greatly complicate the development and modernisation of the countries in the region, and impede the harmonious adaptation of the economies to market realities. Public market economies – the highest degree of development of capitalism and democratic society – remain the social and economic practices of peripheral capitalism give rise to antagonisms in the process of adapting the European model.

The social and economic practices in the countries of peripheral capitalism give rise to antagonisms in the process of adapting the European model. Such a model is a state pursuing defence and public policy with a simultaneous orientation towards a market economy. To develop a society, it is necessary to adapt to the dominance of the capitalist economy (analysing its basic features) and to be able to adapt quickly to different socio-economic and cultural conditions – these are transition societies transforming their socio-economic systems.

The transformation process, started according to common patterns, acquires its own peculiarities in practically each country, each country forms its own version of market economy [10].

Thus, the main task that we set before this work is, an attempt to reflect the relationship between the syndrome called peripheral capitalism and the state of social structure.

F. Kotler points out the difficult start on the road to modernity for transforming societies, as well as the possibility of using the marketing of peoples to bridge the gap that divides society [7, p. 355–366].

M. Porter in his analysis of competition in the context of globalisation notes the advantages of competitiveness of countries formed by specialisation in certain industries and services, which in turn stems from the uniqueness of natural resources, as well as human capital and the level of science development [11, p. 51–53].

According to P. Drucker, a population with a high culture of knowledge has an enormous opportunity to hold a privileged position – the expanded reproduction of knowledge will allow us to enter the 21st century [12].

The theorist of computer society M. Castells divides the modern world into the participants of virtual society included (20 %) and excluded (80 %) i.e. those whose abilities do not allow them to use the achievements of civilisation [13, p. 43].

Inequality is based on human activities and value systems that transform perceptions and experiences into knowledge about the real society. Inequality can be the core of the very essence of system functioning, and the system will always be in an unbalanced state and can
remain in the shadow of social forms as its specificity. It can be assumed: the more obvious the inequalities that are specificity. We can assume: the more obvious the inequalities that are able to be reproduced and underpinned by historical roots, the more easily society perceives their social consequences, in other words the social essence of historical inequalities. The ideas of K. Marx, J. Schumpeter, S. Ossovsky, C. Writt, M. Weber, P. Drucker were proved and extended by S. Kozyr-Kowalski: based on his own concept, he built a theory of social inequality, which became a kind of answer to the weakness of the world theory of structure and social stratification, which fell into mathematical and statistical scholasticism. The world theory did not take into account the influence of consumption inequalities among large social groups, on their lifestyles and vice versa.

And then what was seen as a transitional stage towards a better life, a better world without inequalities, fair and rich, can easily be imitated (it is with changes of this nature that the Polish economist L. Balcerowicz embodies). Imitation escapes control and takes on a life of its own. As a result, imitation disregards the mentality of societies and peoples, offering them something common, disregarding differentiated specificity and individuality. This common, i.e. the material-economic dimension of market and basic values, is inconsistent with the specific mentality of societies, in other words the mentality of peoples, a conscious attitude towards money, the market, egalitarianism in relation to other members of society, as well as religiosity.

Inequality manifests itself as injustice and this is all the more pronounced if the legitimisation of change is weak, superficial, unthought-out and unclear. Crisis and stagnation have forced some questions to be answered, which could indicate the presence of public discourse about the strategic choices of these societies: the limit of freedom, preserved features of state socialism, the historical excursion, the speed and depth of transformation, satisfaction of the consumption needs and desires of certain sections of society, identification of the unfinished and negative phenomena of the transformation process, creation of society.

The relationship between inequality and economic prosperity is quite ambiguous, and depends to a large extent on the historical background to the development of the society in question. The transforming societies of the regions in question can serve as a perfect example of the role of historical tradition in shaping the main types of inequality that change the image of these societies. Making them peripheral, the transformation process itself then becomes a symbol of societal tensions and conflicts.

The transformation processes in Eastern European and Baltic countries can be represented in terms of a certain classification of sectors of the economy: pre-Fordist (e.g. agriculture in Poland), Fordist (elementary tape production), post-Fordist (automation), a new type of economy and communication services (informatisation).

Analysis and consideration of the whole complex shows that transforming societies are behind highly developed societies, the most relevant features of inequality are the following:
- the existence of pre-Fordist forms of products and services;
- incoherence between pre-Fordist product and trade systems;
- the fail of the products to keep pace with advances in science and technology;
- character of «supervision» of the management;
- the disappearance of the boundary between traditional occupations and those requiring good training and experience;
- the dominance of the boss-employee relationship in the ownership structure between labour and capital;
- limited role of the state in the integration of society.

The Eastern European case study

The transformation process in Belarus is not yet fully completed; it has to overcome the consequences of the global financial crisis, bring the national economy to a new innovative stage, modernise the agricultural sector, reach a high level in the development of the humanitarian sphere, science, education and culture, and a difficult process of national identity formation is underway.

The Belarusian transformation is characterised by the evolutionary nature of transformations. A model of the national economy, which can be defined as a socially oriented market economy, is being developed in Belarus. The experience of our country's development over the last decade shows the necessity of timely changes in the mechanisms of economic reforms based on specific internal and external circumstances. The global crisis, of course, affects the conditions for the functioning of the national economy, but the foundations and principles of the Belarusian development model remain unchanged. There is no doubt about the leading role of the state sector. The main function of the state is precisely to create the necessary conditions for the development of the economy and the social sphere, to ensure security for its citizens, social justice and public order, and to counteract corruption and protectionism. Another peculiarity of the Belarusian model is that the private sector may and should develop along with the state, but not to the detriment of the general interests of the state. Another specific feature of the Belarusian model is permanent privatisation (Belarus has refused from impersonal stream privatisation), which is not an end in itself, but a means to find an
interested investor and create an efficient and honest owner.

A certain system of social protection has been established in the country – the social policy pursued by Belarus is not only about helping the citizens in dire need, but also about investing in health care, professional, cultural, and personal development of citizens, i.e., in their future and the future of the country. Undoubtedly, new risks and challenges faced by the countries require timely and adequate actions. Some deviations from the accepted model are quite possible, but there are still principles that will rule out the possibility of introducing a shock option. The global crisis indicates that the transition to a new state of the world system has already begun [14, p. 9–10].

The social situation in Hungary is unfavourable. According to research results, only 14% of Hungarians, 15 years after the beginning of the transformation, believed that life had become better, while the vast majority of the economic, existential and social situation has worsened considerably. People are unhappy with the resulting insecurity, unemployment, declining quality and standard of living and restrictions on social rights. They attribute their poverty and insecurity to the capitalist economy, which leads to a decline in social solidarity. At the same time, more than 3/4 of Hungarians speak with contempt about the basic values of capitalism: freedom of enterprise and the spirit of competition [15, p. 619].

In Poland, the real incomes of the population have increased considerably during the years of transformation, but, despite this, 17% of Poles are on the brink of poverty, and 5.7% have incomes below the subsistence level. Surveys have shown that only 7% of Poles consider their income sufficient to meet all their needs, almost half say they live well, one in five say they have to save a lot and 4% say their income does not cover even the most basic needs [15, p. 618].

Poland, in a time of transition, is a good example of the changes taking place: a country where social inequalities are deepening at an alarming rate. Two elements are essential: the generation of inequality by the social system and its reproduction. The system, giving the postulates outlined above, always generates some inequalities in society (between people). These inequalities exist for a long time and can be repeated. Petrification of inequalities repeats itself all the time and goes beyond the vague structure. Over time, it becomes a principle for the functioning and existence of the system itself.

The Romanian population faces major problems as a result of this transformation. The average real wage in the country has increased insignificantly compared to 1989 and the minimum wage has even decreased. In the social sphere there is a set of acute problems related to the insufficient capacity of the labour market, especially of skilled labour, and general employment has settled at a low level. Social polarisation intensified, large segments of socially vulnerable citizens emerged, there was an «explosion of poverty» and labour emigration to Western Europe took place on a significant scale. More than 40% of Romanian citizens interviewed, and among people over 35 years old almost 50% thought that life in the country had worsened since 1989 and only 33% noted an improvement [15, p. 619].

At the start of economic reforms, perceptions in Central and Eastern European countries were generally rather vague, in many respects ambivalent. Thus, according to sociological surveys, almost 90% of the Czech population were in favour of full liberalisation of all areas of the economy, but almost as many were simultaneously in favour of maintaining extensive state control of the economy. Society wanted capitalism, but with the social guarantees of socialism. Market reforms were fully supported without social reservations by 40 to 50% of the Czech population. In Slovakia, society was less revolutionary: only 20% of the population shared the idea of systemic transformation. Social results of transformation in the countries of Central and Eastern Europe are different, but many trends are common to them [15, p. 617].

In Ukraine, there is a steady decline in the population, the main reason for which is the economic migration of the economically active population of the country, which, according to experts, may serve as the basis for an acute social crisis in the future. Notwithstanding the general growth in average wages, the increase in the minimum wage and the subsistence level, the deep economic recession has led to a marked decrease in disposable income. The Ukrainian population is perceived to be in food danger, spending on consumer needs averaging 57% and in the lowest income group this figure exceeds 80%, according to international criteria food danger occurs when 60% of total expenditure is for food. There are also cases of arrears in payment of wages and pensions, growth of unemployment, lack of ability to pay for housing and communal services without subsidies. In general, 60% of Ukrainians noted a sharp deterioration in the economic situation in the country and 55% pointed out a significant deterioration in the economic situation of their family [16, p. 28–30].

The Baltic case study

The changes in the Baltic states (Latvia, Lithuania and Estonia) did not take place simply along the lines of transformation and modernisation, initially the key component of transformations was westernisation, as there was an opinion that no one had yet achieved prosperity without full-fledged westernisation. Subsequently, certain variants of modernisation theories were applied in the Baltics, which assumed a quick and efficient breakthrough to the Euro-Atlantic economic system, based on the concepts of postmodernity and neoliberalism.
In the Baltic republics, the transition to a market economy was driven by a number of factors: firstly, the existence of market economy, secondly, historical and economic ties with Western Europe; thirdly, a relatively balanced structure of the national economy; fourthly, a consensus among all segments of the population about the necessity of transition to a market economy. Reforms in Latvia, Lithuania and Estonia began in 1991–1992, but already in 1989–1990 there was an understanding of the necessity and inevitability of reforms, which, in turn, became a consolidating factor in the society. The general nature of the reforms was as follows: denationalisation of the economy combined with an increase in its scale; rapid implementation of a number of reforms: monetary, housing and utilities, medical and local self-government.

At present one of the important problems of the Baltic states is the lack of a development strategy after 2004, namely since the EU accession, which was perceived as an end in itself.

If we consider the state social policy of Latvia, Lithuania and Estonia it is worth noting that it is based on the rejection of the social state concept, which implies a contract between the state and the civil society. In practice it looked like a reduction of the originally developed social protection system, social guarantees and commercialisation of health care. Estonia thus spends less than 40 % of the EU average on social protection per inhabitant. The analysis of food and housing expenses of residents of Tallinn, Riga and Vilnius carried out by Swedbank shows the following: a family of four living in a 70 m² flat spends 44 % of the family income on food, housing and transport in Riga, 41.5 % in Vilnius and 25.5 % in Tallinn. At the same time, after-tax employees in Latvia earn lower wages than their Lithuanian and Estonian neighbours. Results of public opinion polls show that only 25 % of Latvian, 25 % of Lithuanian and 22 % of Estonian population «rather agree» with the opinion that their vote counts in the EU, while the EU average is 33 %. In comparison: 32 % of Latvian, 16 % of Lithuanian, 53 % of Estonian residents «rather agree» with the opinion that their vote is counted in their own state, with the EU average being 52 % [4, p. 29–42].

Conclusion

All that has been presented supports the hypothesis that inequality is a consequence of the transformation processes of the idea about transformation to create a society that offer stabilisation, meet needs, moreover, lead a welfare society into a social reality full of contradictions and inequalities. It arises from the very nature of peripheral capitalism, which cannot be frustrated. The consequence of peripheral capitalism is frustration, unrealised aspirations in society. Most of the unrealised aspirations in society relate to the material sphere.

Society does not believe in change and thus falls into a state of anomie in the Durkheimian sense. The main reasons for this are:

- lack of social stabilisation;
- industrial conflict in traditional industries;
- saturation of the labour market with specialists, in which shortages were felt in the recent past;
- realised aspirations;
- a sense of fatalism, leading to nepotism and «pandering»;
- sentimentalism and simultaneous hostility in society.

The transformation process, which started out according to a single scenario for all, in the course of time has acquired in each country its own characteristics, its own features and formed its own, different, version of the economy. The path that countries have travelled has shown that not all ideas are ready to be translated into reality and that the problem of developing effective technologies for managing social and economic processes arises.

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