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THE PROBLEM OF TRUST AND THE TRANSITION FROM STATE SOCIALISM

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GENERAL PERSPECTIVES ON TRUST IN SOCIETY

The existence of trust is an essential component of all human relationships. As such, it has also found its place as one of the fundamental concepts of sociology and sociological analysis. Indeed, from the 19th century and the theoretical insights of Emile Durkheim on the existence of a "precontractual" element in all social arrangements, the importance of trust to the existence of society has been recognized by all students of social life.

On the most general and abstract level, it can be stated that the need for perduring, stable, and universally recognized structures of trust is rooted in the fundamental indeterminacy of social interaction. This indeterminacy, between social actors, between social actors and their goals, and between social actors and resources, results in a basic unpredictability in social life notwithstanding the universality of human interdependence (Eisendstadt and Roniger 1984; Giddens 1990). Consequently, any long range attempt at constructing a social order and continuity of social frameworks of interaction must be predicated on the development of stable relations of mutual trust

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between social actors. Clearly, however, different forms of organizing society (on the macrosociological level) will bring in their wake different forms of establishing trust in society.

In this context, one of the major arenas where the study of trust—on the interpersonal as well as institutional level—has been central, has been in the study of modernization (Deutsch 1961; Eisenstadt 1966; Huntington 1968; Inkeles and Smith 1974). Here, studies in the 1950s and 1960s concentrated on the establishment of new bases of trust in society centering on new terms of solidarity, of citizenship, and what were in fact new parameters defining the boundaries of trust in modernizing social structures.

This focus on the changing nature of trust in modernizing societies is not surprising, given the extraordinary importance of a universal basis of trust in modern, democratic societies. The emphasis in modern societies on consensus, the ideology of pragmatism, problem-solving, and technocratic expertise, as well as conflict management (as opposed to ideological fission) are all founded on an image of society based on interconnected networks of trust—between citizens, families, voluntary organizations, religious denominations, civic associations and the like. Similarly the very legitimation of modern societies is founded on the trust of authority and of governments as generalizations of trust on the primary, interpersonal level. In fact, the primary venues of socialization, whether they be the educational system or the mass media, are oriented to the continuing inculcation of this value and what is in fact an ideology of trust in society. Finally, and perhaps most importantly, the definitions of trust in Western industrialized and so-called modern societies are rooted in the idea of the individual as final repository of rights and values. In these societies, it is the individual social actor, the citizen of the nation-state and not any collectively defined, primordial or corporate entity who is seen as at the foundation of the social order and around whom the terms of social trust are oriented.

On the institutional level, this can be assessed by viewing the workings of trust in society as those limitations placed on the free exchange of resources—such limitations as the definition of public goods (those that, if provided to one member of the collective, must be provided to all), or the public distribution of private goods (Eisenstadt and Roniger 1984, pp. 1-42). In this reading, such phenomena as welfare entitlements or the progressive income tax are limitations placed on the free exchange of goods based on the overall definitions of trust and solidarity in society—definitions which, in modern societies and, as Durkheim noted close to one hundred years ago, are based on the idea of the autonomous individual as the center and moral foundation of the social order. The derivatives of this idea in terms of the equality of citizens and the extension of this equality in different realms which require such limitations should be clear from the continued struggles over the definition (and redefinition) of the terms of *social citizenship*, that is, social entitlements, in

Western European and North Atlantic societies, from the early decades of this century until today (Marshall 1973).

In this context, the problem of trust in East Central Europe takes on a special dimension. Here, the reigning definitions of individual identity are still to a large extent collective and rooted in the solidarity of particular ethnic or religious groups. What is lacking is precisely those ideas of individual autonomy and integrity—freed from ascriptive criteria—upon which civic-selfhood and citizenship (in its formal, institutional and universal guise) is seen, in the West, to rest and around which modern definitions of trust are oriented.

Here, interpersonal trust, as well as trust in the formal institutional structures of society, is still characterized by markedly *premodern* (what can be most generally characterized as *gemeinschaft*) criteria. The basic networks of trust are woven around ethnic relations, local communities, shared religious faith and of course, the continuing saliency of given traditions. Not surprisingly, it has often been remarked upon that in East Central Europe, the dividing line between private and public life is more salient than in the West. This insight into what is essentially the status of civility in East Central Europe is immediately connected to the foundations of trust in society, to the most basic terms of interpersonal solidarity and communicative modes. Civility, the mutual recognition of each individual's innate human dignity and membership in the political community is, as Edward Shils (1992) has argued, at the heart of civil society and, in his words, "at bottom the collective consciousness of civil society." This very Durkheimian formula presumes, however, the (equally Durkheimian) idea of precontractual trust which in modern, democratic societies is based on the liberal idea of the moral individual freed from particular, communal identities, and what we may term ethical solidarities.

GENERAL REMARKS ON THE NATURE OF TRUST IN STATE-SOCIALIST SOCIETIES

It is within this broad theoretical context that we must situate the contemporary terms of trust existing in those East Central European societies now in the middle of a crucial transition from state socialism to a market regulated and democratic regime. This transition, as is often noted, affects all elements of social life, not least the nature of trust, both between individuals and between individuals and the major institutions in society. More concretely, the transition to a market economy implies a fundamental reorientation of those structural arenas where trust is essential for the workings of the social order. One of the primary areas where this can be seen is in the reorganization of the public and private realms. The emergence of a market economy implies a redefinition of the terms of public and private realms and of the relative role of each in the constitution of new ground rules for social interaction (as, for instance, in the

agreed-upon rules of distributive justice). On an abstract and institutional level, these can be subsumed under three central headings:

1. The re-structuring of access to major markets in society,
2. The construction of new definitions of public goods, and
3. New rules and definitions for the public redistribution of private goods.

A reorientation of the nature of trust in society is, we claim, a central component of the restructuring of these spheres in line with the workings of a market economy. We must furthermore recall that under state socialism there existed an historically unique configuration of trust characterized by four things:

1. An almost total lack of trust on the general societal (that is to say institutional) level concomitant with a closely articulated networks of trust on the interpersonal level. In more formal terms, there was a failure to generalize trust from the particular to the social level.
2. The continuation of structures of trust based on what may be described as a neofeudal heritage of patron-client relationship that existed however without the necessary legitimizing ideology.
3. The existence of an almost schizophrenic situation in times of shortages where conflicting interests (the need to maximize resources but also the need for others to accomplish this) led to a constantly unfolding dialectic of trust and mistrust. Here the best example is perhaps the perennial housing shortage and the strategies of what were called in Hungarian "death contracts," where trust and mistrust were interwoven on a personal and pathological level. And,
4. A basic grid through which interpersonal trust could be articulated based on the absolute dichotomy of us and *them* (i.e., the citizens of the country, on the one hand, and the party bureaucracy, on the other).

It must, however, be added that in the pretransition era there already existed some degree of generalized trust (on the societal level) that took different forms in different Eastern-Central European countries. In this context it would be useful to think of the role of the media in Hungary, of the Catholic Church in Poland, and of outstanding cultural elites or charismatic personalities in Czechoslovakia. All cases present examples of the continuity of culturally traditional forms of generalized trust that were not totally destroyed during the period of state socialism. In all three cases, during the mid-1980s culturally specific and politically autonomous modes of generalized trust, rooted in the (prestate-socialist) political culture of the countries reemerged with a new saliency and came to play a critical role in the transition to a democratic polity and market oriented economy.

The Historical Background

We must recall that in spite of the above-noted loci of trust, contemporary East Central European societies are characterized by a general lack of trust in the public sphere that is a deep-rooted historical phenomenon. Its sources are not only in the anomalies of state-socialism, but (and perhaps more importantly) in the continuity of precapitalist forms of social organization which characterized these societies into the 20th century. Indeed, to some extent, the problems of constructing general forms of social trust in these countries which would cut across the existence of strong ethnic solidarities and identities was already recognized at the end of World War I with the National Minorities Treaty. This, we recall, was meant to guarantee full protection under law, that is, full legal and civil citizenship to those ethnic minorities included in the "successor states" formed with the breakup of the Austro-Hungarian Empire.

Of major importance to any understanding of the unique structuring of trust in contemporary East Central Europe is thus the historical trajectory of nation-building and state formation, which was markedly different from that of Western Europe. For example, the long, drawn-out process of State making and nation building in Western Europe was characterized by the only gradual integration of different *ethnie* into one national identity (characterized by its own territory, economy, legal, educational and cultural systems and historical memories). Central to this process were the different features of linguistic assimilation, social mobilization and, at a much later date, mass education and the effects of mass media (Rokakan 1975). In this process, as Daniel Lerner (1985) noted more than thirty years ago, the formation of "psychologically mobile personalities" enabled the establishment of "empathy" between individuals of different ethnic and religious traditions. In terms of our analysis, this empathy rested on the replacement of traditional criteria of solidarity and collective membership and participation with the modern values of individual rights, universal citizenship, and the idea of the morally autonomous person upon which modern notions of social trust are based.

What took place, to different extents in the different countries of Western Europe, was, first, the crystallization of a national identity out of different ethnic group (sometimes, as in England, France, and Spain around an ethnic core group and sometimes, as in Greece or Switzerland, without such core groups), and second, the formalization and universalization of the criteria for membership and participation within this national entity on the principles of citizenship and mass participation in the social and political life of the nation (Smith 1986, pp. 228-263). In Eastern and East Central Europe, the situation was very different.

There, in marked reversal of the historical development of Western societies, the nation-state (or more precisely, the administrative-bureaucratic structures of State rule) emerged (after World War I) before the nation itself. Contributing to this was the oft-noted "gentry" character of political elites who (in the 19th

century), while leading the nationalist movements in East Central Europe, did not identify national independence with more than their own corporate interests. Social reforms were minimal and the democratic component of national movements was submerged in the corporate interests of the political elite. Indeed, the very ethnic fragmentation of these societies led to the view that the State itself produces national sentiment and not the other way around. By the mid-19th century all of the ruling elites agreed that the nation stemmed from the state and the question was solely on the State's role as a cultural, administrative or coercive producer of nationalism (Janos 1982, p. 69). Thus, the type of mass mobilization around social reforms which characterized Western nationalism and indeed, united diverse communities into one national identity, did not eventuate.

Without any prior crystallization of national identities, the period of nation-state formation proper (following World War I) saw the establishment of new states that were either multinational or with significant national minorities. The disastrous results of this situation were complicated by the appeal of ruling elites in the interwar years to an ideology of national exclusion in a bid to retain legitimacy. Even in Czechoslovakia, non-Czechs were not fully integrated into the civil polity and consequently viewed it with suspicion (Schöpflin, 1990, p. 71).

Consequently, to quote György Csepeli (1991, p. 328), "the concept of the nation came before the establishment of the proper national institutions and the emerging national ideology therefore had to refer more actively to elements of the ethnocentric heritage such as decent, cultural values and norms." In East Central Europe (as in Russia), the "prisonhouse of nations"—or rather, of ethnic groups—caught first under protracted absolutist regimes and then under semiautocratic or dictatorial regimes rooted in one ethnic majority, never emerged in national frameworks of freely associating citizens. What emerged in their stead was the continuity of ethnic identities and solidarities into the 20th century, outlasting not only the Hapsburgs, Romanoffs, and Hohenzollerns, but state-socialism, as well.

The implications of this pattern of development on the problem of social trust in contemporary East Central Europe should be clear, for the necessary preconditions for modern forms of social trust—based on the autonomous individual (freed from communal identities) as moral agent—cannot be taken for granted. Rather, the historical development of this region has seen the continued existence of strong ethnic and group solidarities which have continually thwarted the emergence of those legal, economic, and moral individual identities upon which modern, democratic forms of social trust are founded.

In the most general of terms, we can state that the existence of the individual social actor, freed from ascriptive identities, as at the foundation of Western, democratic models of social trust was itself based on the twofold historical moment of national integration and the universalization of citizenship within

the nation-state. In East Central Europe, the first process took place in an only partial and mediated manner. The second process—of universal citizenship—was never realized (not even in Czechoslovakia, where formally, it was the most developed, but where minorities were not perceived as full members of the national community) and achieved only a caricature of itself under state-socialism which, appropriately enough, has been termed by Elemer Hankiss as "negative modernity." Indeed and as argued by Ivo Banac (1990, pp. 141-160), as the crises of state socialist ideology deepened, as "negative modernity" turned in on itself, the "bureaucratic nationalism" of state-socialist regimes were transformed as the older national identities and solidarities reemerged, with a saliency we are only now beginning to appreciate.

Preliminary Indications on Trust in Contemporary Hungary

The emergence of democratic regimes in contemporary East Central Europe and the attempt to institute market economies in these countries highlights once again the importance of historical factors—either of long-term nation development, or the experience of 20th-century state socialism—in the structuring of social relations. Both experiences set East Central Europe off from those of Western Europe and the North Atlantic communities. And, while to many it is the explosion of nationalism and virulent local particularisms which seems to preclude the peaceful transition to democracy and market economies in many part of East Central Europe, these are, we claim, only extreme examples of a much broader phenomenon, rooted in the historical development of the region.

The existence of trust, its social construction, maintenance and the venues through which it is articulated, is a problem that stands at the core of the current malaise faced by East Central European societies. Rooted in both the long-term trajectory of nation-development, as well as in the more recent (Communist) past, the very existence of social trust both between individuals and in social institutions is a subject of some questioning. Any understanding of the current crises of East Central European societies must be rooted in the particular manner in which forty years of state-socialism intersected with the previous legacy of historical development in structuring the terms of trust operating in society.

This paper deals exclusively with the case of Hungary. Hungary has been seen as the most Western, the most market-oriented of the East Central European countries, both today and over the past two decades, as a result of the legacy of Kadar's *goulash Communism* and the workings of the second economy. It should thus offer (theoretically, at least) the closest case to that of the West.

To understand the current transition process taking place in Hungary from state-socialism to a market-regulated and democratic regime—a process which affects the nature of trust both between individuals as well as between

individuals and the major institutions of society—it is necessary to understand how the state-socialist system itself worked, and how trust was structured during that period of Hungarian history. Besides our attempt at investigating the articulation of trust on the primary interpersonal level and on the more general institutional level we will, for the most part, concentrate on the way trust was structured in relation to the political system.

STATE SOCIALISM: THE RAKOSI ERA

After a short, so-called "democratic" period following the World War II, during which the Communists constantly gained power (relying on the assistance and support of the Soviet-dominated Control Commission of the Allied Forces), the Hungarian Worker's Party led by Matyas Rakosi eventually succeeded in monopolizing political power in 1948. The state of Hungarian society at this time was the result of the aforementioned deformed and asynchronous East Central European historical development. That is, having always been structurally between East and West, Hungary tried throughout its history to follow Western patterns, but, even when it succeeded in keeping up with Western development, the social, economic, and political structures that emerged were always late and deformed to different extents (Szücs 1988; Bibo 1986; Janos 1981; Anderson 1974; Schöpflin 1990; Erdei 1980). The Communist regime and its revolutionary ideology thus found a half-feudal, hardly modernized society in Hungary, the consequences of which for the new elite were the embarkation on a forced modernization process to overcome premodern conditions and historical backwardness. Following and obeying the Soviet example, the establishment of a totalitarian Soviet-type society and economy, and the total elimination of the old social and political order began under the name of the so-called "universalistic," egalitarian ideology of Communism. The fundamental goals of the new regime were to create a centrally planned, regulated and redistributive economy, where all property was to be owned by the state, to change the economic structure by extensive industrialization (concentrating on heavy industry), to establish the full power of a small circle of power elite, and to directly control and regulate all sections of society in order to implement the one and only "collective social interest" to be represented by the party (Hankiss, 1986, 1989; Szabó, 1989; Völgyes, 1974, 1989; Gati 1974; Fejtö, 1971).

The Atomized Society

The regime applied several strategies for achieving these goals, out of which, because of its fundamental social consequences and its implications on the nature of trust, the most important for our purposes is the demobilization of society:

> if people were mobilized to feel, think, and act only in corformity with the goals, norms, and programme of the party, then they would be deprived of the time, energy, moral strength, and objective opportunities to do anything else" (Hankiss 1990, p. 14).

To fulfil their revolutionary mission of creating a socialist society, the elite needed a disintegrated and atomized mass society which could not put up resistance against socialist modernization. This is a point made also by Hannah Arendt, when she writes of total loyalty required from the individual as the psychological basis of total domination (Arendt, 1958). This was achieved by, besides terror, the practice of *guilt by association*, which created an atmosphere of fear and total individual isolation (Arendt 1958, p. 322). Trust between people was almost impossible in these circumstances because of the basic uncertainty concerning the reliability of others, that is, never knowing whether another was a spy and/or would give information to the secret police. It is even more evident if we compare the prevailing conditions under the Rakosi era with the definition given by Barber for the basic function of trust in society: "trust... has the general function of social ordering, of providing cognitive and moral expectational maps for actors and systems as they continuosly interact" (Barber 1983, p. 19). This is what we would claim, underlies democratic societies, while in totalitarian regimes in general, and in Hungary during the Rakosi era in particular, it was precisely the impossibility of forming these expectations either in connection with institutions or on the interpersonal level that characterized social life and marked it with an overriding uncertainty.

In the course of events aimed at isolating individuals as much as possible from one another, the most significant phenomena was atomization. Atomization, first of all, meant the destruction of whatever elements of civil society had existed before state-socialism, all autonomies and possibilities of social control over political power were destroyed; as Attilah Ágh put it:

> [The socialist project] meant the victory of these [Western European] civil societies over the separated spheres of economy and politics(state) by re-socialising them in order to cancel the alienation of their formalized systems from the (civil) society. In the socialist countries of East Europe, anyway, the Socialist Project turned to the opposite direction, it lead to the "liquidation" of civil society and the "victory" of the socialist state" (Ágh, 1989).

One of the best examples of the total elimination of civil society is the radical decline in the number of associations, from 14,363 in the 1940s to approximately 1,000 around 1950.

Moreover, the new economic and social system introduced by the elite contributed very much to the process of atomization. Thus for example, the breakdown of rural household economies led to the decrease in the economic interest tying the youth to older generations and the decrease in the efficiency and practicality of their former cooperation within family and kinship circles. In turn, this resulted in the break up and migration of families (Utasi 1991)

and thus, to the loosening of even nuclear family relations in a large section of society.

Other strategies included the destruction of value system and social identities, monopolization of interest representation, strategies of intimidation (terrorization), and the maintenance of society in a diffuse and passive state (Hankiss 1990). Another very dangerous phenomenon was self-demobilization; expressed in the "escape" to private life as well as in different forms of deviance such as alcoholism and suicide (see Andorka, this volume).

In this situation, trust on the interpersonal level could hardly be articulated among people on either the broad societal level or even within small groups or communities. The individual directly belonged and was obedient to the larger society without the mediation of any groups or communities. This intended homogenization resulted in the phenomena that Elemer Hankiss termed *empty* individualism (Hankiss 1986). It is called empty because of the lack of those relations based on trust, with which the individual could overcome his or her isolation. The whole process of "negative modernization" and "empty individualism" he attests to a type of behavior without worldview, tradition, and culture, but which is aimed purely at accumulation, and so is rough and reflex-like (Hankiss 1986). Although it was an individualism of sorts, especially in terms of the attempt at freeing individuals from the biding force of local, communal, and traditional identities, this by no means meant the establishment of modern ideas of the independent and autonomous individual. The practice of the Rakosi regime led, rather, to the emergence of individuals as dependents and not as citizens.

The totalitarian political system: "who is not with us is against us"

The logic and the ideology of the totalitarian system did not presume the existence of trust mechanisms for the legitimation of the regime. As opposed to the modern Western idea of legitimation based on the trust of authority and governments—trust which is generalized from those interconnected networks of trust between citizens, families, voluntary organizations, religious denominations, civic associations and the like—in the Rakosi era, the question of the trustworthiness of the system was simply not raised. The new elite arrived with a revolutionary mission which implied that it was the elite alone that knew the future (Telos) and the only way to it. Consequently, the conscious consent of the society was not needed. Actually, something was being done *with* the society and not *by* it. The regime applied an almost metaphysical legitimation by translating the old doctrine of "reigning from God's grace" to "reigning from historical necessity" (or the mandate of history). Another strategy, the de facto legitimation strategy, was aimed at making their power accepted as given, existing, and unchangeable by not allowing the development of any meaningful alternatives (Hankiss 1986).

In this period, the distance between society and the elite broadened as the result of a situation in which, on the one hand, society had no possibility of access to the political center and was deprived of even the most basic information. The elite, on the other hand, basically lost its connection with social reality because information concerning the state of society was filtered as it came up to them through their information channels (Pokol 1989).

The paradox in these conditions—considering the concept of trust as one which defines the primary interpersonal relations among people, which in turn contributes very much to the workings of modern social systems—was that under totaliarianism it was society, or rather each separate individual, who had to maintain his or her trustworthiness vis à vis the authorities, and not the reverse. Our assumption is that it was rather fear—individuals' fear of those in power, and the power's fear of the individuals and their possible spontaneous actions or resistance—that kept society together at that time. The only space in which some sense of trust could be articulated was the one created by the dividing line between "we" and "them"; that is, society on the one hand, and the party bureaucracy on the other. This manifested itself in the October, 1956 revolution when a large sector of society—the so far almost totally isolated individuals—united to fight to overthrow the regime (on the history of the revolution see Fejto 1971 and Lomax 1976).

The Kadar Era

The revolution was defeated by Soviet intervention and the new regime—put into power by the Soviets—after having taken revenge on the participants of the revolution, put great emphasis on consolidating conditions. The principle of the Kadar regime's policy was to create social consensus, "Pax Kadariensis" (Hankiss 1990), by making a bargain or pact with society; the unspoken agreement was: get wealthy (or rather, wealthier) but do not try to interfere in politics. The elite changed from the basically hostile attitude of the Rakosi era's "who is not with us, is against us," to an attitude that was more bearable and acceptable to society: "who is not against us is for us." To neutralize society, which in October 1956 clearly manifested its opposition, private life was given freedom, the level of consumption increased and supply was continuously provided (Szabo 1989). The elite relinquished the idea of the immediate and violent creation of a Communist society, and in its stead sought the cooperation of society for their new double aim: (1) increasement of social welfare and (2) preservation of political stability—that is, the harmonization of the preservation of their power, together with the integration of society.

The strategy they applied can be termed a "liberalization" policy (Hankiss 1986, 1990). The elite gradually and very slowly broadened the zone where people could, more or less, experience freedom, but they did not do this by

giving rights (or tolerating the struggle for these rights) to guarantee the new freedoms; rather, by temporally and conditionally suspending control and regulation over certain fields. This was, however, just the opposite of democratization, since the aim was to make people contented without having real rights or the opportunity to demand them. This was a modern version of paternalism, in which everything members of the society received—protection, security, welfare, and a certain extent of freedom—was considered to derive from the goodwill of the regime. It resulted in the infantilization of society and to the spreading of the idea of "without us, but for us" on a large social scale. The results of this polity can be noted in Table 1 and the discrepancy between people's active voice in their affairs and their belief that their interests were nevertheless being provided for.

The most significant consequence of the liberalization policy was the development of the *seconds*. The second sphere of the society—second economy, second publicity, second culture—was not totally peculiar to Hungary. The second economy was, for example, present to different extent in almost all East European state socialist countries and the second, unofficial, publicity played an important role in some of these societies. Nevertheless, Hungary was the country where the second sphere was probably the most developed and it consequently determined (and continues to determine) many aspects of the transition from state socialism to democracy.

The loosening of control over certain spheres, sometimes intentionally, in other cases unintentionally, created possibilities of major divergences from the uniformity that had characterized totalitarian society. The gradually emerging new social reality and the expansion of the so-called second sphere did not mean however a fundamental reorganization of the deep structures of society, but provided chances for alternative social mechanisms to coexist with the still

Table 1.

	Workpace	*Place of residence*	*Nationa politics*
Your interests play an important role in decision making	60	57	68
You have a word in the process of decision making	36	19	15
You are able to do something against those measures that harm your interests	51	25	10

Note: All data in percent of adults.

Source: Bruszt: Nélkülünk, de érettünk? (Without us, but for us?) pp. 97-110. in Szalai, J. and others. Arat a magyar. MTA, Szociologiai Intezet, Budapest, 1988.

dominant *first society* framed in the early decades of state socialism. In this context we can speak of certain fields that managed to detach themeselves almost totally from the official first society and ended up forming autonomous spheres, summarized under the rubric of second society and developing characteristics opposed to those of the first. One of the most important examples of these autonomous spheres, in terms of its effects on the present process of transition, was the gradual expanding circle of second publicity, especially in the samizdat literature (see Heller et al. this volume). Other examples could be found in the development of youth and other subcultures and the slow reemergence of old social networks.

Within the second sphere there also existed social mechanisms that were strongly interwoven with and not at all detached from those constitutive of the first sphere, but having characteristics that were only partially compatible with the principles of the officially sanctioned first sphere. Some areas where the two were interwoven were, according to Hankiss (1990, p. 107), those of consumption and the existence of nepotism and oligarchic networks in the interstices of party, state, and economy. Similarly and crucially, the economic sphere was perhaps, the most significant component of the second sphere which was, also, deeply tied to the workings of the first (and will be analyzed below in our explanation of interpersonal trust). Indeed, Hankiss has pointed to the very difficulty of maintaining an absolute division between both spheres in certain areas which, nevertheless, maintained opposing sets of organizing principles, as outlined in Table 2.

We can, however state that as a result of the liberalization policy, alternative mechanisms began to operate in Hungarian society from the 1960s, which unavoidably affected the way trust was structured. The elite's invitation of cooperation rather than a permanent state of war with society, led to the

Table 2.

First Society	*Second Society*
Homogeneity, diffusity, atomization	Differentiation and integration
Verticaly	Horizontality
Descendency	Ascendency
Nationalized, centralized	Lask of nationalization, decentralized
Centralization of all spheres of social life	Growing autonomies of economic and social actors
Dominance of politics	Dominance of economic and social factors
Ideologised sphere	Not ideologised sphere, alternative ideologies
Visible sphere, reflected by the first publicity	Opaque sphere, not or only partly reflected by the first publicity
Ideologically and politically accepted sphere	Illegitim or shaky legitimation

Source: Hankiss, E.: Eastern Europe Alternatives, Oxford University Press, 1990.

possibility of establishing some sense of generalized trust, if this is what it was, and consequently some extent of legitimation for the regime.

The post-totalitarian political system: "who is not against us, is with us"

That alternative mechanisms existed in society and that the regime changed its strategy was evident in the case of the workings of the political system itself. It is very important to have an idea of how trust was structured in relation to the political system, since this period further shaped political culture, which has its consequences on the current situation as well.

As a social subsystem, the political system always had predominance over all other subsystems, mainly as the result of the permanent pressure to modernize that characterized Hungarian history (Kulcsar 1986; Bihari 1982; Janos 1981; Pokol 1989). This meant that, as opposed to Western social development, modernization attempts in Hungary were always from the top down, in the form of reforms following outside patterns. Considering that Hungarian historical development was never really organic, it is not surprising that the implementation of the outside patterns usually resulted in deformed structures which later became major sources of hinderence to further development. Most of the time, modernization attempts were carried out by a quite narrow circle, the political elite, the consequence of which was that the central political leadership gained overdominance and interfered, as a result of the relative weakness of society, in spheres where it would not have been able to had Hungary followed the Western model of development, based on the interdependence of fairly autonomous spheres and on the network of freedoms. (The example of Hungarian literature, which always had strong calling for making politics, is a good case in point, of this politization of other, autonomous cultural spheres. See Kulcsar 1986.) Besides the unhealthy predominance of the political system, as the main actor of social changes, the other fundamental problem was that the channels of interest representation were hardly established, resulting in a great amount of autonomy of the political system from society. (Kulcsar 1986). The political system gained influence in the Rakosi and the Kadar era that excelled its traditional predominance, and almost absorbed economy and a large part of society.

In its relations to the various subsystems of society, the political system played the decisive role, establishing unilateral mediation mechanisms which worked in one direction only, namely, from the political system to the other subsystems. Feedback mechanisms, both in the case of economy and society, were only occasional and based on informal personal relations (Bihari 1982). This practice was the so-called command system which, in the case of economy, resulted in the interweaving of the two subsystems (politics and economy) secured by the mechanism of political decisions coming from the political system to the economy.

In this general context, and to appreciate the changing nature of the political system in the Kadar years, it would be helpful to examine the political system in Giddens terms as an *access point*. These have been defined by him as "points of connection between lay individuals or collectivities and the representatives of abstract systems. They are places of vulnerability for abstract systems, but also junctions at which trust can be maintained or built up" (Giddens 1990, p. 88). While in the totalitarian Rakosi regime no consent, let alone confidence or support, was presumed to be necessary from the side of society for realizing the regime's revolutionary ideology, in the Kadar era the task was, first of all, to stop society's opposition that was unambiguously expressed in the 1956 revolution and hence, the need to build up structures of trust and confidence in the system and its representatives.

When viewed in these terms, that is, the emergent problem of legitimation and trust, the further problem is raised of professional knowledge and its relation to the political factor in the political system and in the bureaucracy itself. This problem is also discussed by Bernard Barber in his concept of trust when making the distinction between fiduciary responsibility and technical competence (Barber 1983). The question here is about the balance of the political and the professional factor in the bureaucracy, and about the source and extent of dominance of the political factor; whether those in the bureaucracy feel to be legitimized by the political elite, or (even if indirectly) by society at large.

In the Rakosi era, the situation was rather simple: after having made a clean sweep in the staff, the regime filled the political institutions with people who were totally loyal to the new regime. These came in large part from the working class, but for the most part, they had no technical competence. The fiduciary responsibility they had was not toward society but toward those from whom they derived their legitimation, that is, the elite. What we see here is the political element's predominance over professional knowledge, that is, the primary importance of fiduciary responsibility which is maintained toward society only by the mediation of ideology. Under the post-totalitarian Kadar regime, which in the framework of enlightened socialist absolutism proposed cooperation for society, the relation of professional knowledge and the political factor changed a bit, with a shift toward professional knowledge. Moreover, fiduciary responsibility was already not directed toward the elite exclusively, but to certain groups of society. This is termed *apparatus-pluralism* by Pokol; certain sections of the bureaucracy directly absorbed the big social-political alternatives, conflicts ensued as did compromises which produced the political decisions plans of the elite (Pokol 1989). This structure seemed to have been stable only up to the point where the highest power peak was represented by the same persons (Szabo 1989; Pokol 1989).

To carry out such measures, some extent of cooperation was needed from the side of society, and as compensation, following the rule of mutuality, those

levels of the bureaucracy that had direct connection with citizens undertook the representation of certain interests of their environment toward the higher levels of bureaucracy. This *resocialisation* of the lower spheres of bureaucracy had to be carried out by establishing personal relations, which became an important part of those networks of informality that ensnared the whole structure (Bruszt 1985). This phenomenon is emphasized also by Völgyes:

> the operations of local politics are well known to the population; just about everyone knows which local office one should seek assistance from. But on these levels, usually, it is not merely an "office" that one turns to for help, but to a particular individual with whom one can establish contact or to whome someone has said a "good word."... and indeed... one can agrue that the system of mutualities, gifts, bribes, patronages, and favors are nothing but institutionalized corruption (Völgyes 1989, p. 298).

Again as a historical heritage, we find the continuing importance of decision making mechanisms within the political system based on personal relations (traditional phenomena, like political influence of family, kinship, and friendship connections), rather than fulfilling the expectations that the institutional framework poses (Kulcsar 1986). Here we recall what has been said about the lack of feedback mechanisms, to make it evident how important these almost neofeudal patron-client relations were. A good portion of decision making was taken from the institutional (and so impersonal) decision making mechanisms and was hoisted into the sphere of interpersonal relations. The informal feedback mechanisms thus joined the network of patron-client relations. Thus, people (at least those groups that were strong enough to express their interests this way), could have their interests represented to a certain extent, that is, individuals or groups could influence decision making by finding patrons in the informal interpersonal network.

The Kadar regime thus managed to create and maintain a sense of trustworthiness of its political system by establishing legitimation on the networks of neo-feudal patron-client relations that eventually ensnared the whole society. These relations determined (1) people's attitude to the political system: trust maintained toward certain representatives of the system; (2) the relations, and attitudes of the representatives toward citizens: trust maintained directly in the mutual relations of cooperation in the lower spheres, and indirectly through the network; and (3) the relations of those within the system (patron-client relations), based on mutuality.

Second Sphere—the Implications of Second Economy

Now that we have an idea how trust was structured in terms of the workings of the institutional structure of the political system, we must look at how the definitions of the most primary relations changed in the Kadar era. As a

consequence of the liberalization policy, a second sphere of society begun to develop besides the official first society. The most significant changes in terms of interpersonal trust relations were brought about by the emergence of the second economy. The "second economy is defined as including all legal activities contributing to the increase of the GDP or of welfare, performed outside of the regular working time in the main job in the socialist sector" (Andorka 1990; also see Gabor and Galasi 1981). Another definition, also given by Andorka, points to one of the fundamental features of these activities: "income-supplementing activities" (Andorka 1990, p 96.). Second economy activities included agricultural activities (on household plots, mainly for self-consumption, performed by the rural population); private house building and maintenance; "do-it-yourself"; overtime, second (and even third or fourth jobs). Participation in the second economy was very widespread in the Hungarian society: almost one-half of the adult population (almost all village people) participated in agricultural activities; most new housing was built privately (especially after 1970's) (Andorka, 1990, 1992). The second economy also played a very important stabilizing role for the whole socialist economy and contributed to diminishing income inequalities, beginning in the late 1950s. From the 1980s, however it started to contribute increasingly to inequalities deriving from second economy participation itself (Szelényi 1988, 1990; Andorka 1992). At first mainly the poor strata of Hungarian society begun to work in the second economy, which helped them to preserve a certain standard of living (or even to increase it). Beginning in the 1980s, however, the higher strata of society also began to participate increasingly, which created new inequalities; people were generally working more and more but, even with this overtime, most of them could not maintain their standard of living. This was an important factor in the crisis of the Kadar regime. Consequently, one of the pillars of "Pax Kadariensis" was severely shaken (Szabo 1989).

Terming second economy activities *income-supplementing activities* seems to be more adequate from our point of view, because of that feature of these activities pointed out by Istvan Gabor:

> [O]ur entrepreneur has tried (and learned) to make the most of the advantages of a relative security of existence he has enjoyed as an employee of the public sector (thanks to the chronic labour shortage in the first economy) as well as of extra income he has been able to earn as a private producer of the second economy (thanks to the inadequate supply of products in the first economy) (Gabor 1991, p. 127).

Without a real market environment, there was a lack of development of market ties that would presume the mutuality and basic trust needed in conditions of real market relations. Participants were not forced to establish firm relations in their "market" cooperation since they only supplemented their income which implied that they were not as dependent, in the long run, on

cooperating with other actors in the second economy. The regime's strategy could be summed up as:

> [O]n the one hand, people were kept in permanent uncertainty as far as the legitimacy and the prospects of their activities in the second economy were concerned. On the other hand, their efforts at integration, at building up networks of information, mutual help, or interest intermediation were obstructed (Hankiss 1990, p. 120).

But, this is only one aspect through which the second economy was crucial in influencing the forms of primary, interpersonal relations. The other was the rapidly growing importance of family and kinship relations. The largest part of second economy activities were carried out in family circles, the best example of which is how new houses were/are built:

> [P]rivate house building is done in a special—almost archaic—reciprocity framework. Help is given without the payment of wage, but in the sure expectation that in case of need it will be reciprocated, i.e. those who participate in the building of a house for a relative, colleague of friend (or his children) can expect similar help when they themselves have to build a new house for themselves or for their children (Andorka 1990, p. 102).

Actually the whole economic environment became favorable to family cooperation. As opposed to the conditions under the Rakosi regime, the new possibilities of acquiring material goods, that could be achieved by mobilizing family resources and personal relations in the informal network led to the strengthening of family cohesion. These relations, being motivated largely by material interests given the possibility of getting wealthier, were fundamentally instrumental by nature, overshadowing the emotional aspect (Utasi 1991). Unfortunately, the same was true for friendship relations as well, for in this period Hungary was actually a *society of work*, that is, most of the population spent most of its time working, chose its friends from the working place, and the activity done together with the friend was usually some kind of work in the second economy (Utasi 1991).

The data in Table 3 show how low the percentage of those having emotional friend(s) (in terms of social support and as opposed to *instrumental* or goal-oriented friendships) in Hungary is in comparision to Western societies. This is in accordance with the argument that people had hardly any time to do anything else besides working (in both the first and second economies).

Some aspects of second economy participation, namely (1) the strengthening of family, kinship relations, (2) the largely instrumental nature of these (and of friendship) relations, (3) the fact that Hungary was the society of work at that time and people did not really had any time for maintaining extra or unbeneficial relationships, and also (4) the supplementary nature of second economy activities contributed to, rather than mediated the phenomena of empty individualism discussed above. Nevertheless, the fundamental state of

Table 3. Distribution by Age Groups of Those Having Emotional Friends in the Surveyed Countries

Age Groups	*Australia*	*W. Germany*	*GB*	*USA*	*Austria*	*Hungary*	*Italy*
18-24 yrs.	71.6	68.3	60.3	74.3	55.7	65.0	74.3
25-34 yrs.	58.9	59.7	53.0	64.9	47.5	37.0	70.4
35-44 yrs.	55.5	47.3	51.4	67.4	44.5	28.6	55.0
45-54 yrs.	55.9	37.3	41.8	54.3	29.5	25.0	46.3
55-64 yrs.	48.3	30.5	31.3	49.4	22.0	14.1	40.9
65 yrs. and older	31.7	26.4	29.8	41.4	19.4	12.6	33.3
Average	54.4	45.1	46.6	58.4	34.9	30.3	55.1
Inequality index of extreme age groups	2.3	2.6	2.0	1.8	2.9	5.2	2.2

Source: International Social Survey Program, 1986. Budapest, TARKI. Quoted in (ed. Utasi, A.) 1991. Tarsas Kapcsolatok. Budapest, Gondolat. p. 184.

Table 4. Channels of interest realization

Channel	*Title by which help may be claimed*	*Currency in which one has to pay*
State bureaucracy	Rights as a citizen	Deferential behavior
Party Bureaucracy	Pary membership, rights as a citizen	political loyalty, deferential behavior
Client-patron networks	Client or patron status	Loyalty, conformity, return services
Corporatist networks	Membership	Loyalty to the corporate oligarchy
Legal networks	Rights as a citizen	Deferential behavior
Nepotism	Family ties	Return services, reciprocity
Networks of corruption and bribery		Money, connections, influence
The public sphere (mass media)	Harmless victim of local bureaucracy (case must not question the overall legitimacy of the system and must not threaten higher party and oligarchic interests)	Deferential behavior
Community networks, networks of mutual help	ParticipationqMutual Help	
Barbaining mechanisms	Membership in the bargaining group	Solidarity

Source: Hankiss (1990, p. 101).

atomization of individuals that characterized the Rakosi era seems to had been, at least partly, overcome in the Kadar era. The individual no longer belonged directly to the larger society; his or her private life was more or less undisturbed and his/her family meant a stable, (at least a stable economic) background. There also were some mediating groups and communities belonging to the second society, forming a rather restricted but important sphere of civil society that helped certain groups in society to break with the total isolation of individual life that had characterized the 1950s. The ways in which individual or even group interest representation could be achieved in the post-totalitarian Kadar regime through latent structures of interest representation are very well summarized in Table 4, taken from E.Hankiss.

But, the overall feature of empty individualism continued to exist and define primary relations; trust began to be articulated but along severely restricted venues, and in no way can we talk about the development of a basic trust in the modern sense. Table 5, comparing individualism and privatism in then European countries can give some idea of the nature of Hungarian individualist orientations during this period.

Table 5. Individualism and Privatism in Ten European Countries, 1982

	England	*Ireland*	*France*	*Belgium*	*Germany*	*Netherlands*	*Spain*	*Denmark*	*Italy*	*Hungary*
You may trust people	43%	40%	22%	25%	26%	38%	32%	46%	25%	32%
Is there anything you would sacrifice yourself for, outside your family? NO!	60	55	64	61	53	54	38	49	45	85
Parents have their own lives; they should not sacrifice themselves for their children	18	15	17	21	28	15	13	39	27	44
Childrearing principles: Respect for other people Loyalty, faithfulness	62	56	59	45	52	53	44	58	43	31
With whom do you prefer to spend your leisure time?										
Alone	11	12	10	9	8	12	7	8	20	10
With your family	48	39	47	51	52	49	53	53	36	72
With friends	27	27	22	18	27	15	23	12	29	10
Going out, seeing people	11	12	8	7	5	12	4	4	8	3

Notes: All samples were representative national samples.
All data are percent of respondents.

Source: European Value Systems Study 1982.

The Crisis of the Kadar Regime

The general crisis of social life that characterized Hungarian society from the 1950s was accompanied by the crisis of the political system in the 1980s. The basic cause was the inability of the system to maintain a certain standard of economic welfare. This undermined its legitimacy based, as we have seen, on economic performance (Hankiss 1990; Szabo 1989; Völgyes 1989). Moreover, the political elite was gradually losing its control over the hierarchical political structure, mainly because of the expansion of the "oligarchic, patron-client and nepotistic networks" of the second economy (Hankiss 1990). This created major problems as for the workings of these relations, since the functioning of these structures of personal trust was deeply embedded in the mechanisms of the Kadar regime's political system.

Thus, we find that until the 1980s, mechanisms of trust towards the political system were working to some extent both on the general (some sense of legitimation based on undisturbed private life and economic development) and the interpersonal (participation in the latent structutres of interest mediation) levels. It should be noted here, however, that we can not talk about the generalization of trust in this period, since the mechanisms of interest mediation were contradictory to those of the hierarchical political structure (although, paradoxically, as has already been pointed out, they contributed to the maintenance of the system as a whole [Hankiss 1986, 1990]) and the overall legitimation itself was only instrumental acceptance of the prevailing conditions having been rooted in economic interests.

Beginning in the 1980s, Hungarian society faced problems in trusting "its" political system on both levels. On the one hand, on the general level, social consensus—"Pax Kadariensis"—was undermined by economic crisis; on the other hand, the personal connections of society and the political system were undermined by the general crisis of the latter.

THE TRANSITION

The transition from post-totalitarian to market-regulated and democratic regimes is the process that the East-Central European region has experienced since 1989. This period seems to have brought old, premodern trust attitudes to the surface and to have resulted in the reemergence of nationalistic sentiments and religious intolerance in the region.

What is fundamentally characteristic of East-Central Europe in general is true for Hungary in particular, especially because of that mode of historical development which made the societies of the region similar to each other in their underlying structures. We again experience the feeling of being in between structures (ideal types) and the accompanying and pressing need to keep up with Western development.

Yet, it may be said that during its transition period, Hungary (perhaps most fully in the region) has already established the institutional frameworks necessary for the development of a truly modern society. This is almost completely true for the political system; and, to a certain extent, for the economic system as well. However, for the proper functioning, and operating of the institutional framework, and the legitimation of the new regime, society would have to see the operation of those mechanism of trust in authority and governments, which in turn, is generated from that basic trust that defines the most primary relations among people and connects all citizens who perceive each other as autonomous individuals, and define themselves and others on the basis of universal citizenship.

Largely as a consequence of past historical developments which have continually seen the political system maintaining its predominance over other social subsystems, the political sphere in contemporary Hungary continues to play a crucial role. It is again the main actor of the current modernization attempt. True, it has, as a first step, modernized its own institutional framework. But, it has preserved as well all those negative characteristics that hinder further modernization. The most retrograde of these features is the continuing preference of informal, interpersonal relations to impersonal, institutional mechanisms. This implies that the bureaucracy, is over-politicized, and is again filled with cadres that the new elite can trust. The criteria for membership in the bureaucratic elite seem to be kinship, religious or friendship ties, or shared traditional values. They do not seem to be the principles of modern bureaucracies oriented towards rationality and professional knowledge. Serious problems thus continue to exist in the most dominant spheres of the political system, not only with the technical competence of the representatives of the political system, but also with the fiduciary responsibility they have. It is again not toward society directly, only through the ideology of nation and of its timely implication, the idea of having a historical mission to guide the Hungarian nation back to Christian Europe.

Problems also continue to exist in the trust relations of the citizens toward the political system. The Data in Table 6 show an almost total lack of confidence in the major institutions of the polity, which supports the argument that there is a failure to generalize trust from the interpersonal level to a more abstract, institutional level.

Trust, on the other hand, is articulated along rather restricted venues. As a result of empty individualism, and the lack of any real attempts of establishing the idea of individual in the modern sense, it is much easier psychologically for the individual to skip the smaller groups and belong to much broader communities, and to articulate trust within these well defined boundaries. This situation can be assessed in Table 7, which shows a continual distrust of minorities in contemporary Hungary.

Table 6. Comparatison of trust, by profession, in European Value Surveys 1982 and 1990

	1 *Very much*		*2* *Rather much*		*3* *Not very much*		*4* *Not at all*		*9* *Do not know*		*0*	
	1982	*1990*	*1982*	*1990*	*1982*	*1990*	*1982*	*1990*	*1982*	*1990*	*1982*	*1990*
Trade Union	20.1%	6.0%	36.1%	22.3%	19.7%	38.4%	7.8%	25.6%		6.7%	16.3%	1.1%
Parliament	49.0	8.3	35.4	35.9	6.1	36.5	1.2	13.5		4.8	8.3	0.9
Legal system	39.4	13.4	44.9	40.3	9.0	32.0	1.8	8.9		4.3	4.8	0.9
Press, mass media	28.5	6.8	50.5	35.6	16.3	42.3	1.9	10.4		0.6	2.8	1.1
Church	14.8	23.0	22.0	26.2	25.9	29.2	33.9	17.4		3.3	3.3	0.8
Public administration	27.6	8.5	42.3	38.7	19.7	38.4	4.8	8.0		5.2	5.5	1.2
Educational system	28.9	13.5	48.9	41.0	14.2	32.7	2.1	7.7		4.1	5.9	1.0

Source: Hungarian Academy of Sciences, Institute of Sociology
Sample: 1982, N — 1226-1423
1982, N — 1301-1314

Table 7. Trust accorded by ethnic/religious group, European Value Survey 1990

Trust in	*1* *Very much*	*2* *A little*	*3* *Both Yes and no*	*4* *Not very much*	*5* *Not at all*	*9* *Do not know*	*0*
Church	23.0%	—%	26.2%*	29.2%	17.4%	3.3%	0.8%
Rumanians	9.9	10.8	26.1	23.2	22.2	13.3	0.5
Jews	13.9	23.6	31.1	11.3	7.7	12.0	0.5
Gypsies	2.3	10.8	14.6	28.3	42.4	1.1	0.5
Slovaks	6.2	14.9	30.5	18.3	11.3	18.4	0.5
own family	89.5	5.6	2.8	0.5	0.4	0.6	0.6
Hungarian indiv.	23.0	45.8	20.4	8.7	1.1	0.5	0.5
German minority in Hungary	11.8	22.7	32.2	10.5	7.4	14.7	0.8

Source Hungarian Academy of Sciences, Institute of Sociology
Sample: N — 1301-1314
*This percentage was in answer to the question rather and not "both yes and no".

It is very easy to find well defined boundaries existing between ethnic and other groups in Hungary today, when it is again legitimate to defend traditional values as national ones against those values that are seen to be solely the result of a modernization process and the imitation of Western values (Kulcsar 1986; see also Vermes, this volume). Self-definition, and so trust maintained along these restricted venues, also means the exclusion of others (other groups) to some extent. In contemporary Hungary, we find an increasing intolerance towards any otherness: ethnic, religious minorities, Gypsies, Jews, Arabs, Chinese, blacks, and refugees in general. In Hungary today there is not, as in many modern societies, a sense of basic trust that connects all citizens, providing what Giddens has termed a *background noise* to the workings of society. Rather, trust is woven around restricted boundaries (although following the developments in the second society instituted in the Kadar era, there are continuing attempts made aimed at promoting the articulation of a basic trust, and a basic level of solidarity).

The fundamental problem of Hungary in this period of transition is that on a wide societal level the idea of the autonomous individual, freed from communal identities, defined on the basis of the principles of universal citizenship (both by the state and by the other members of society) seems to be not thoroughly established. The other basic problem follows from a failure to generalize interpersonal trust, and therefore the institutional structure still works largely on the basis of interpersonal trust relations, in spite of the literally modern and democratic principles that form the basis of this institutional structure.

CONCLUDING, GENERAL REMARKS ON THE TRANSFORMATION OF TRUST IN FORMER STATE-SOCIALIST SOCIETIES WITH THE MOVE TO A MARKET-ECONOMY.

The politically central and sociologically fascinating question remains what will happen now? How will the generalization of trust on the societal level progress and what forms will trust on the interpersonal level take in post-Communist societies? An interesting example of the problems involved is that presented by the Hungarian taxi- and lorry-drivers strike of October 26-28, 1990. In this case we witnessed, on the one hand, the continuity of distrust of institutional government (not only by the strikers, but indeed, in the early hours of the strike by society at large who feared military intervention and, in the popular phrase, a repeat of 1956). On the other hand, there did evolve, over a three-day period, an institutional framework for presenting and discussing grievances, a consensual agreement and, crucially, through the televised arbitration (one of the strikers' chief demands) a new form of mutuality, participation and trust,

not only among the actors, but of society at large. From this case and others, it is clear that a number of crucial changes must evolve in the present configuration of trust for a democratic and market-oriented society to be viable.

First, there must be an almost quantum leap in the extension of trust to the institutional level for the progressive realization of market economics. (Here we recall Durkheim's famous strictures on the necessity of rules regulating the market contract that are themselves *not* the subject of contract as the sine qua non of modern economic life).

Second, there will, of necessity, be a reorientation of the almost feudal nature of interpersonal trust based on particular, circumscribed, and ethnic solidarities and often turning on strong nonmarket ties of reciprocity and mutuality. What form this will take is, however, an open question.

Third, the basic grid of "us and them," which had defined social solidarity and the boundaries of trust within state socialist societies has already been dismantled. What is taking its place at present is a redefinition of the basic terms of social solidarity, of *we-ness* in society. We are witness to this process in a number of different areas, primarily in the rising ethnic and national consciousness of Eastern European societies. This revival (if that is what it is) of primordial and ethnocentric bases of trust is fraught with danger for the emergence of a true civic polity. It does not however, in itself, rule out the establishment of mutual cooperation between different social groups. Whether that will be the rule or, by contrast, a heightening of inter-group tensions and mistrust, will depend precisely on the new terms of trust evolving in society.

In sum, any successful transition from state-socialism and the command-economy will be accomplished only if the terms of trust in the societies of East Central Europe are universalized and generalized beyond local, circumscribed and, perforce, ethnic venues to society as a whole. The relative role to be played by ethnic solidarities and identities in the restructuring of the boundaries of public and private life, of access to major markets in society and the construction of new definitions of public goods (as well as criteria for public redistribution of private goods) will be central in determining the new terms of trust which will emerge in these societies.

The basic question of the transition is which trend will be predominant; the one aimed at establishing the idea of the modern individual, or the one oriented towards particular solidarities and identities, taking ethnic and religious solidarities as having paramount importance. In terms of trust, this becomes the problem of uniting all of society around a fundamental acceptance of the autonomous individual and so generating the basis for generalized trust in those democratic institutions founded on this premise, or, the strengthening of social trust woven around particular, primordial definitions of membership and participation in the collective.

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