Anti-politics and the spirit of capitalism: Dissidents, monetarists, and the Czech transition to capitalism

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This article sets out to investigate a problem, which in some respects is parallel to Weber's famous thesis on the origins of the "spirit of capitalism." What Weber found in need of explanation was the sense of moral duty, or a "calling," which accompanied the profit-seeking activities of capitalist entrepreneurs, and played a major role in rationalizing their conduct. Almost a century later, and in the radically different context of the post-communist Czech Republic, I find a similar sense of moral duty imbuing not so much the pursuit of profit, but the construction of capitalist institutions. As I show in this article, Czech economic policies, while obviously guided by pragmatic considerations, are also oriented toward a distinctively ascetic complex of meanings.

There is another aspect, however, of the Czech transition to capitalism, which I would like to highlight, because it explains what is counter-intuitive about this "spirit of capitalism." This is the extent to which the Czech transition was initiated and accomplished in the absence of a capitalist class. Before I explain this observation, let me first note its import: had private proprietors played a major role in the transition to capitalism, this sense of moral duty would have been immediately intelligible in terms of their material interests, and easily dismissed as ideology. In the absence of a capitalist class, however, it is not self-evident why the bearers of such ideology have appointed themselves as the "footmen," holding the door open for a class that is yet to arrive; and in particular, why such advocacy has taken the form of a calling.

This argument, about the absence of a capitalist class, emerges from my collaborative work on the transition from socialism to capitalism in Central Europe.[1] Briefly put, the argument is that the type of capitalism to emerge after the fall of communism was determined by struggles and alliances in the late communist field of power. Where the nomenklatura

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managed to convert itself into a propertied class via "spontaneous privatization," the result was a system of "capitalists without capitalism," i.e., a relatively powerful propertied social class thriving in the context of weak, rudimentary, or even absent capitalist market institutions.[2] Where, on the other hand, the nomenklatura was blocked by an independent intelligentsia, the latter began to understand itself and act as a *bildungsbürgertum*, a cultural bourgeoisie in charge of building capitalist institutions. Privatization proceeded more cautiously, and typically produced diffuse ownership rights and de facto managerial control. The result was a "capitalism without capitalists," i.e., developed capital and labor markets, functioning stock exchanges, and budding mechanisms of corporate governance, all administered by the intelligentsia in its role as "cultural bourgeoisie," but without a propertied class.[3] These are of course "ideal types," and while it is arguable that Poland, Hungary, and the Czech Republic all approximate the model of "capitalism without capitalists," they obviously vary in this respect.[4] Among them, however, the Czech Republic is probably the most striking example of such a system, because its "voucher privatization" (to be discussed later) transferred state assets not to individual proprietors, but to investment funds ultimately owned by the state bank. Consequently, Czech managers have significant de facto control over privatized firms, but little ownership rights.[5]

I paused in somewhat lengthy detail on this notion of "capitalism without capitalists," because it is essential in order to grasp what is counterintuitive about the development of an ascetic capitalist spirit in the Czech Republic. Hence, the central question of this article is: *in the absence of a capitalist class, who are the bearers of the "spirit of capitalism" in post-communist Czech Republic, and why – how did they acquire the taste for its peculiar austerities and discipline?*

The thesis

My answer to the first question is that an unlikely coalition between dissident intellectuals and "internally exiled" technocrats is the historical agent bearing the "spirit of capitalism" in the Czech Republic. The particularly counterintuitive element of this answer is not so much that intellectuals or technocrats become advocates of capitalism. They have done so many times before. What is much more improbable is their doing so in *unison*. At least superficially it would seem that the careers, lifestyles, and existential choices of dissidents and technocrats are so radi-

cally different as to preclude alliances between them. On the one hand, Václav Havel and his fellow prison-mates, moralists, and bohemians; on the other, Václav Klaus and his group of neo-liberal economists, "suits," and bankers. What could they possibly have in common?

My answer to the second question is that what dissidents and technocrats share, and what accounts for their joint sense of moral duty, is an elective affinity between their respective perceptions of the social role of intellectuals and their understandings of how society should be ruled. Again, this is the counterintuitive element of this thesis: dissidents and technocrats do not speak as the "organic intellectuals" of a capitalist class-in-the-making, nor as the new private proprietors themselves. Their joint appreciation for the virtues of the capitalist spirit, I would argue, is part and parcel of the class alliance between them as the two leading fractions of the post-communist Czech intelligentsia.

In some respects, this thesis represents an attempt to come to terms with the shortcomings, but also insights, of Konrad and Szelenyi's claim that the intellectuals were "on the road to class power" under communism. To my mind, the major problem in their analysis was that they jumped too quickly from imputed class interests to predictions about collective consciousness and action. Or put differently, what they offered was a "representation," in Bourdieu's sense, which accorded with other contemporary representations of the intelligentsia as a "new class," and thus captured a "class project," but which failed to take into account that all such representations were an element of classificatory struggles.[6] To analyze class formation and class alliances one must keep in mind both the objective moment of proximity in social space, but also the subjective moment of concrete classificatory struggles, wherein *identities* are made. This is how the term "class alliance" is used in this article. The following pages focus on the identities of Czech intellectuals and technocrats, and argue that the possibilities for alliance between them inhered in such things as their perceptions of their own roles as intellectuals and professionals, not in their "objective interests." But at the same time, I also argue that such affinities were determined by the proximity between their positions in social space, because their identities represented homologous reactions to the classificatory struggles around the "new class" project.[7] I emphatically do *not* argue that intellectuals are "on the road to class power" again. The paradox of the alliance between technocrats and dissidents, as we shall see later, is precisely that they coalesce around a self-limiting role, and a program that is almost the direct negation of the "new class" project.

One last point before I plunge into the actual analysis. There is an obvious, and quite formidable, objection to my thesis, and I need to address it to convince the reader that this exercise is worthwhile: even in the absence of a domestic capitalist class, so the argument would go, there isn't much mystery about the zeal, nay even the sense of moral duty, in building capitalist institutions. Isn't such professed "duty" merely what is required of *all* countries today, if they are to accommodate the demands of international lending institutions or attract foreign investment? And isn't it inconsequential who those are at the helm, and what are their identities? The forces of globalization mandate that whosoever they are, by necessity they become organic intellectuals of the international capitalist class. If there is no variation on the dependent variable, so to speak, how could one seek the cause in elements specific to one case?

I beg to differ, and for three reasons. First, this argument relies on the metaphor of "diffusion" from the core to the unsuspecting periphery. This metaphor presents the social origins of neo-liberalism as Anglo-Saxon, stemming from the rise of Thatcherism and Reaganism. As a sociological account I find it highly unsatisfactory, and I would suggest that we need to think of neo-liberalism not as something invented and imposed by the west, but as a truly global *bricolage* assembled from various parts of the world. One example should suffice, since it is central to the argument of this article: a major strategic component of the neo-liberal package is the discourse of "civil society." It is in the name of civil society, its empowerment and well-being, that economic measures are justified, and state intervention is vilified.[8] But this discourse of civil society is not strictly a Western invention. Though it owes a great deal to the original eighteenth-century West-European discourse, its reemergence from relative obscurity in the late twentieth-century cannot be explained without noting its revival, first, in late-communist Central Europe, among the circles of the opposition, and its diffusion to the west from there. Polish, Hungarian, and Czech intellectuals, for reasons that I explore in this article, have reinvented civil society and provided the concept with some of the essential elements one finds today in neo-liberal doctrine.[9]

Second, I do not agree that there is no variation on the dependent variable. There are significant differences among post-communist countries in the extent, zeal, and skill with which neo-liberalism is adopted, as well as in the emphasis on specific aspects of the package. The example I gave earlier, of the differences between the East and

Central European transitions, should alert us to the fact that despite the "pressures" of the world economic system, and despite the near-identity of rhetoric in support of the market, domestic factors play a major role in determining what kind of capitalism will emerge.

Finally, it is precisely my contention that the social characteristics of the actors at the helm *do* matter. In a recent article, Steven Fish shows that the most accurate predictor of the progress of economic reforms in post-communist countries is the character of the founding elections after communism's end. In particular, he notes that the main difference between successful and unsuccessful economies was the availability of alternative leadership, or as he puts it "agents of transformation," at the moment of elections, who were willing and able to implement radical economic reforms.[10] We are now far from the image of a neo-liberal orthodoxy radiating from the center, with the unvarying force of an "institution." Instead, we are led to ask two questions, both of which emphasize *historicity*: first, and this is the question posed by this article, how were such counter-elites formed? What social types do they represent? Is it possible to explain their behavior as reformers with respect to their social characteristics, their biographies, and world-views? The second question, on which I only touch cursorily toward the end of this article, is how were such counter-elites made available at the right time? What were the concrete processes by which such counter-elites were forged into an alternative to communist rule?

Plan of the argument

The first section of this article seeks to corroborate my argument, that the transition to capitalism in the Czech Republic is imbued with the "spirit of capitalism." I show that ethical concerns of the ascetic kind are paramount in the process of capitalist transformation, and that they are reified and evoked in rituals of sacrifice, purification, and confession. The second section attempts to show that "anti-politics," the ideology of Czech dissidents, was a form of "other-worldly asceticism," in the sense that the "calling" of dissent could ultimately only be verified by sacrifice. I further argue that "anti-politics" were given an "inner-worldly" orientation by the concept of "civil society." It allowed the pursuit of one's calling through the construction of a moral community and within its confines. Finally, I show that this dissident ethic bore strong affinities to a certain form of capitalist organization, which I call "monetarism." These affinities underlay the alliance between the

dissidents and a group of monetarist economists who held political power in the Czech Republic until 1997.

The post-communist spirit of capitalism

As we know from Weber, the spirit of capitalism means that worldly economic activity is treated as a "calling," an ethical pursuit. It is one's *duty* to increase one's capital, hence one needs to approach economic activity in the most methodical, sober, and self-renouncing manner. A similar demand is voiced by Czech reformers, but with two modifications: first, the calling is no longer addressed to the individual entrepreneur, to Franklin's "young man," but to something called "society"; second, self-renunciation and sacrifice are justified for the sake of the future, no doubt, but there is also a sense in which they are required as atonement for sins of the *past*. "Society" lived beyond its means under socialism, it has spent more than it could afford, now it needs to sacrifice:

> We lived ... at the expense of the future. Now the bill for all this is being presented to us, in the form of sacrifices. They are considerable, and greater ones await us. They are and will be as great as the loan we all took out of the bank account of our future. The size of this debt is directly proportional to the silence with which we accepted the communist exploitation of the future.[11]

There are two distinct ways by which this calling is communicated. The first is by *example*. For sacrifice to be genuine, it cannot be imposed on society from above, it must be voluntary, and the task of government is therefore to lead by example. It must first and foremost balance its own books. Thus, the Czech government announced with great pomp and circumstance that it finished the 1991/92 fiscal year with a surplus. A small ceremony was conducted and even televised and broadcast all over the country, in which the surplus was solemnly written into the next year's budget. Whatever one thinks about the economic rationality of balanced budgets, it is clear that the televised ceremony itself was intended as an exercise in civic education. It was meant as a message for ordinary Czechs: "balance your check books, and save a little, this is what your government does, and this is what virtue means."

The second, and far more revealing, way by which the calling is communicated, is as *penance*. Sacrifice is prescribed as the only means by which individuals and society can atone for the sins of the communist past and purify themselves from its corrupting influences. While the

government must set the example of ethical conduct, it must also combat, through a variety of economic and other measures, the corruption that already has set in. There is thus a distinct difference between this Czech "spirit of capitalism," and the one described by Weber. While for Adam Smith the human propensity to "truck, barter, and trade" was given, i.e., the stuff of civil society was natural, pure, and ready to be led by example, the Czech reformers seem to proceed with the assumption that the human material they have inherited is thoroughly polluted. Society, in the eyes of the reformers, is not a tabula rasa on which the market mechanism can begin to inscribe its civilizing effects, but a highly corrupted and corruptible medium, the product of communist rule:

> What has happened in the past 20 years in Czechoslovakia is that a broad social framework (which used to hold the nation together) has either disintegrated or lost all its meaning. As a result, all social norms of behavior have disappeared....[12]

In the eyes of the Czech reformers, the communist past constitutes an immense obstacle to the development of market capitalism and civil society, not so much because of the excesses of socialist industrialization that inhibited efficiency and polluted the environment, but because of the pollution of minds and souls wrought by communist institutions: the dependency fostered by state redistribution, which allowed people to collect an income working hard for it; the irresponsibility of socialist consumerism, which allowed the whole society to spend beyond its means, without regard for the future; the pollution of people's bodies by over-eating, drinking, and smoking.[13]

It is in this context that we should understand the economic policies undertaken by the reformers as having a "spiritual" or "moral" side. Such policies were not merely technical steps required to restore the economy to health, but also ascetic techniques addressed at the task of *purification*. They ranged from collective ritual sacrifices in which society was purged of its most corrupted members, in particular the old generation, to measures that required individuals to break their attachment to those most corrupted elements of their selves. The biggest collective purge took place in the Czech Republic, as well as in other Central European countries, immediately after the fall of communism: about 10 percent of the labor force took early retirement, usually in the form of "disability" pension, and disappeared from the books. It was sound economic policy, since communist economies

certainly suffered from over-employment, but it was also a symbolic "disabling" message: these people, who spent most of their working lives under communism, are no longer fit to work, they cannot be trusted to work, hence to participate in society. Unemployment itself, however, was conveniently reformulated as a purgatory, as that liminal space where individuals can renounce their old selves, become purified of "old ways," and reinvent themselves as responsible members of society. To be laid-off, so the explanation went, was a blessing in disguise, since people are given a chance to "re-tool" and acquire "human capital."

The sacrifice meant to purify society also took the form of public rituals of confession. No amount of sacrifice and re-tooling could cleanse the polluted "socialist man," unless he confronted his past. If the past will not be remembered, told and admitted, it will continue to haunt society:

> We are like an obese person who forgets that he is loaded down with several dozen extra kilos and that these are an extra burden for his heart and ultimately shorten his life.[14]

In the Czech Republic, the process of capitalist reconstruction went hand-in-hand with the drive, led by former dissidents Václav Benda and Daniel Kroupa, to reveal the names of former secret police agents, and screen state officials with regard to their past. The legislation was probably the most vengeful among Central European countries, in terms of barring former communists from public office.[15] Nonetheless, its major function was ideological, rather than legal, as was indicated by the term adopted to designate this process. Significantly, it was called *lustrace*, adopted from the Latin, which Šiklová renders as "purification by sacrifice, purging."[16] Thus, *lustrace* referred at one and the same time to the purification of society by the sacrifice of its communist "scapegoat," and to the purification of the individual by penance and confession, which, when correctly rendered, could actually make them fit to fulfill public functions again. This confession, as in the inquisition, was not meant to establish guilt, but to save one's soul, to purify one. It had to be public, so as to dramatize the message of collective guilt. It was meant to produce effects on the other guilty individuals, the majority of ordinary people, who will be able to identify themselves with the negative hero of the confession drama, confess, at least to themselves, and receive absolution:

> Each pardon should be preceded by a confession, repentance or atonement of those, who here systematically for 40 years informed on somebody, and now they don't have even the courage to own up to it and apologize.[17]

My purpose in this section was to show that the transition to capitalism in the Czech Republic was accompanied by pervasive rituals of sacrifice, purification, and confession; that alongside the economic program one could discern also an ethical program, so to speak. But what are these rituals evidence for? In what sense do they index a "spirit of capitalism"? It was not my purpose here to argue that ordinary Czechs have necessarily internalized the meanings conveyed by these rituals, and begun to behave accordingly. The preceding was not evidence about the practices of ordinary people, but about the climate of thought surrounding the formulation of economic policy, i.e., about the discourse of the political class. Consequently, there are two, superimposed, senses in which I take these rituals to index a "spirit of capitalism." First, the idea of a "spirit of capitalism" seems to be a concrete target of the Czech reformers. They seem persuaded that it is not enough to establish market mechanisms, or impose fiscal austerity, but that for economic reform to succeed, "society" must internalize the virtues of sacrifice. The second, and related, sense in which the term "spirit of capitalism" is employed, has to do with the role of the government itself: it should lead by the example of ethical behavior and sacrifice; it should be a patient confessor that gently encourages disclosure; but it should also be a stern educator that prescribes penance to purify the collective and individual soul. Not only do the Czech reformers think that their target is to foster a "spirit of capitalism," but they understand this task as imposing on them an ethical code. My task in the next sections is to discover the origins of this "irrational core," as Weber would put it, of Czech economic rationality, and discover how it came to dominate Czech post-communist economic life.

The dissidents and anti-politics

Who were they, and how did they become dissidents?

Although Václav Havel is probably the most famous Czech dissident, he is not the most typical of them. Indeed, the breeding ground for Czech dissidence was not "the theater on the balustrades" but Charles University, significantly its philosophical and law faculties. Although there were many artists and a few priests among them, most active

Table 1. Career trajectories of "dissident" members of the first post-communist Czech administration

Name	Degree	First job	Year dismissed	Next job	1990 position
Eda Kriseová	Journalism 1962	Editor, *Listy* (literary journal)	1970	Housekeeping	President's public relations adviser
Jaroslav Šabata	Psychology 1953	Lecturer, Masaryk University	1969	Worker	Czech minister without portfolio
Jiří Dientsbier	Philosophy 1960	Czech radio	1969	Stoker	Federal minister of foreign affairs
Luboš Dobrovský	Slavic lang. 1960	Czech radio	1970	Storage worker	Federal minister of defense
Michael Žantovský	Psychology 1973	Psychiatric research institute	1980	Freelance translator	President's press secretary
Milan Uhde	Slavic lang. 1958	Editor, *Host do domu* (literary journal)	1971	Freelance writer	Czech minister of culture
Pavel Rychetský	Law 1966	Lecturer, Charles University	1970	Worker	Deputy federal prime-minister
Petr Pithart	Law 1962	Lecturer, Charles University	1969	Night watchman	Czech prime-minister
Petr Příhoda	Psychiatry 1962	Psychiatrist in a mental institute	1970	Ambulance psychiatrist	Press secretary, Czech government

dissidents were recruited from among the humanist intelligentsia – philosophers, historians, jurists, social scientists, and journalists. Table 1 demonstrates that this was especially true for those among them who became influential after 1989.

Why were dissidents typically recruited from among humanist scholars? The answer, as illustrated in Table 1, is that they were dismissed from their jobs in the aftermath of the "Prague spring" of 1968.[18] Not only did they lose their jobs, but most of them seemed unable to continue working in their fields. There was an element of necessity here: unlike the economists and technocrats I discuss later, some of whom also lost their positions, humanist intellectuals were ill-equipped to cope with the new situation. Philosophers, trained in phenomenology, were unable to work on non-Marxist philosophy anymore; the situation of

sociologists, whose departments were closed, and of journalists who were banned from writing, was similar. Additionally, the regime persecuted some of these individuals, requiring them to work in manual jobs, or denying them opportunity to work in their fields. Their names were on "black lists," and their chances of employment slim.[19]

Nonetheless, there was also an element of choice here. Václav Klaus, most probably voicing the thoughts of many ordinary Czechs, but also intent on legitimating the trajectory associated with his group of technocrats, suggested that dissidents chose to work in these jobs because they were intellectuals incapable of "normal" jobs: "Indeed a lot of people losing their jobs after the Prague spring ended up as if in a worse state. I think that this isn't quite the truth. Many among them chose occupations, in which they will be mentally intact. Such occupations like watchmen, stoker and the like, affording certain irregularity, time for example for studying Heidegger. I on the other hand chose a work, which was very binding, immensely uninspired and regular."[20] We can definitely leave to future historians to debate these ruminations on comparative martyrology. The important point is that they illuminate a major difference between the dissidents and the monetarists: the dissidents lost their position in the cultural field, and have embarked on a strategy of regaining it, while at the same time playing "outside" the official sphere. This was the meaning of "dissidence": it was a response to the crisis of the intelligentsia following the debacle of the Prague spring, which concentrated on, as Klaus put it, remaining "mentally intact." The first choice of dissidents was to save their souls rather than save their jobs; to work on themselves, rather than work for the regime, though for what purpose was probably not very clear to them from the beginning.

It is important to recognize that this was an existential choice, i.e., one conditioned by unconscious factors such as temper and taste. This explains why it is possible to fix with such definiteness the social category – humanist intellectuals – most likely to respond in this way, since the unconscious is much more intimately connected with one's conditions of existence, with one's social position, than moral reasoning. Thus, even though most dissidents prefer to present "dissent" as the result of a clear moral choice, the truth is precisely the inverse: their taste for "dissent" as a life-style, so to speak, is what ushered them into a moral universe, what conditioned them to begin to perceive the world in moral terms: "At some point ... everyone had to make an agonizing choice: to prove their loyalty to the regime by humiliating

themselves or to lose everything.... I always maintain that in my own case, when it came to the critical moment when the other side asked me to prove my loyalty, they simply went too fast and I exploded without thinking of the consequences ... and the explosion blew me across to the other side of the barricade. One loses one's work and then finds that it becomes, strangely, very easy. The world becomes black and white. One begins to play one's role on the other side of the barricade."[21]

And since on the other side one finds "kindred souls," who inhabit the same universe because they made similar choices (and because their social unconscious, their *habitus*, is similar), the choice is reinforced by the fact that it creates a relatively closed circle of the initiated: "In the post-prison period I and my wife and the closest friends retreated among ourselves. We preferred not to keep much company with anybody.... I considered myself as an isolated person, living partly outside society."[22] This closed circle had indeed its comforts, congruent with the life-style favored by humanist intellectuals, in particular the fact that their work was judged only by peers: "In the censorship years, he had a lot of time for work and study. At home, the phone didn't ring, because the police ordered to cut him off. He didn't have to and couldn't travel, because he didn't have a passport, he didn't have to go to work on the editorial board.... He could concentrate on writing the kind of books, which he knew would be read only by people who got *samizdat* editions or exile publications."[23]

To put it in more theoretical language, my argument is that dissidence was the response of certain humanist intellectuals to the crisis of 1968, a response that took the form of a "technology of the self." Foucault uses this term to describe the ways by which individuals work on themselves to attain certain desired states – grace, authenticity, purity. These consist of prescribed rituals (such as confession) by which individuals make themselves knowable and governable first to themselves, and then necessarily also to others.[24]

The dissident technology of the self

Foucault argues that Western civilization inherited from early Christianity a hermeneutic-ascetic technology of the self. The early Christian technologies of the self were procedures in which the bettering of one's self was equated with discovering the truth about one's self,

which in its turn required abandoning one's self. In the practice of the early monasteries, examining one's self meant an injunction of constant verbalization, under the watchful eye (or rather ear) of the master, submitting to scrutiny the deepest movements and the least suggestions of one's thought. This was not originally as a report on sins, but to discover the truth about one's self – which thoughts were good and led to God, which were evil and came from Satan. The condition for discovering truth was to renounce one's self, to break the "attachment to one's self" by submitting to discipline.[25]

The dissident discourse of "anti-politics" maintains the hermeneutic structure common to Western asceticism, only its subject matter are no longer thoughts that have to be reported and verbalized, but *acts* (including speech) that need to be evaluated as to their "meaning" and "authenticity." The devil is indeed lurking and corrupting human souls, and his presence is as subtle and insidious as in early Christianity: "The best resistance to totalitarianism is simply to drive it out of our own souls ... our own land, to drive it out of contemporary humankind."[26] The presence of totalitarianism within human souls is at first slight, hardly touching one's innermost reaches. It is established by an act of ritual communication, displaying signals of outward conformity. Havel takes as his example a "greengrocer," who displays the sign "workers of the world unite" from his shop window. The corruption process that begins here has nothing to do with what one thinks, but everything to do with how one acts. By displaying the sign, says Havel, the greengrocer has surrendered responsibility for the meaning of his deeds and speech, indeed the meaning of his own life, to the system. By displaying the sign, he has chosen to "live within a lie." He need not believe in the lie, only to tolerate his life within it, in order to "confirm the system, fulfill the system, make the system."[27]

Havel's analysis is canonical, and it is in this sense that I refer to a "dissident discourse." With this term I do not mean to argue that all dissidents have espoused Havel's views. What they share is not a specific position, but the space offered by Havel's intervention. It is a "point of diffraction" or "problematization," around which they revolve.[28] Havel attacks "post-totalitarian socialism" not because it is repressive and unjust, but because it envelopes individual conduct within a maze of uncertainties and paradoxes. It destroys the individual's meaningful existence within the "natural world," by creating a wholly fabricated language in which words are senseless, and thinking is impossible.[29] One cannot know what is "true" and what is "false" any-

more, what is "wrong" and what is "right." It is this problematization of the conditions for individual conduct that is shared by participants in the dissident discourse, and that sets it apart from other critical discourses, specifically that of "reform communism."[30]

Note how similar is Havel's criticism to Luther's. Both rebel against the institutionalized rituals that mediate private and public life, and that allow a disjuncture between the two. Communist citizens and catholic worshippers can sin in their private life, and receive instant absolution by producing the correct ritual gestures in public life. This is the meaning of "living in a lie," and hence Havel and Luther's responses are in the form of a "technology of the self" as a means of regaining authenticity and re-integrating private and public life. Individuals can, by themselves and through their own initiative, create a situation in which the implications and meaning of their actions and words will be clear. The move from "living within a lie" to "living within the truth" is an "existential choice," which in Havel's version does not require much work upon one's self, since "the essential aims of life are present naturally in every person." *Sola fide*. It just may so happen "that one day something in our greengrocer snaps and he stops putting up the slogans.... He begins to say what he really thinks at political meetings." The greengrocer will thus recapture his responsibility for what he says and does. Since it is in the nature of the system that truth and lie are incompatible, it will reject the greengrocer and will enforce his existential choice on him.[31]

But here a game of interpretation opens, which threatens to undermine Havel's grounding of hermeneutic technology. It is quite similar to the self-doubt that threatened Luther's belief in personal salvation. To have an authentic self, Havel said, to possess the truth about themselves, individuals must perform certain work on themselves. This work consists in examining their deeds and their words as to their "authenticity" – whether they really mean what they say and do, or they merely serve the interests of the system. Havel attempts to "ground" this self-examination, to minimize its scope, by arguing for a natural propensity in human beings, a "longing for humanity's rightful dignity, for moral integrity." Having the capacity to distinguish between right and wrong, truth and lie, one only needs to perform the required "leap of faith" to find one's self living within the truth. It follows that the moral individual under communism is a *dissident*, since it is only they who really live within the truth and take responsibility for their words and deeds. Or put differently, it follows that dissidence is a "calling," it is the only way

to assume responsibility for one's life, the only way to make life authentic. As the Russian poet Yevtushenko put it: "I pursue my career, by not pursuing it."

But what if the essential meaning of "dissidence," its innermost secret is that it actually confirms and supports the system, precisely through the dissidents' resistance? Havel faces this possibility when he attempts to answer the question "who are the dissidents?" He denies, therefore, that there are any "dissidents," in the sense that they constitute a specialized "profession" or pursuit. "In fact, a dissident is simply a physicist, a sociologist, a worker, a poet, individuals who are merely doing what they feel they must and consequently, who find themselves in open conflict with the regime. This conflict has not come about through any conscious intention on their part, but through the inner logic of their thinking, behavior or work." Dissidence is an "existential attitude," not a profession. On the contrary, "to institutionalize a select category of well-known ... 'dissidents' means in fact to deny the most intrinsic moral aspect of their activity."[32]

How then do we know whether one is acting in a moral way? Whether one is really taking responsibility for one's actions and deeds? Havel's grounding of hermeneutic technology threatened to break here, since it was uncomfortably close to the Czech ideal of "small-scale work" (*drobná prace*): "honest and responsible work in widely different areas of life but within the existing social order ... working for the good of the nation." Too many Czechs (and reform communists) could have laid claim to this ideal; almost all forms of law-abiding behavior could qualify as taking responsibility for one's actions.[33] The problem is that interpretation seems to lose its grounding: "there is no general model of behavior, that is, no neat, universally valid way of determining the point at which small-scale work ceases to be 'for the good of the nation' and becomes 'detrimental to the nation.' It is more than clear, however, that the danger of such a reversal is becoming more and more acute and that small-scale work, with increasing frequency, is coming up against that limit beyond which avoiding conflict means compromising its very essence."[34] In short, it is not enough to work in a calling, and take responsibility for one's actions. One can never be sure that one is not aiding the regime, and participating in the destruction of society. Like the Protestants, the dissidents were looking for a manifest sign of the calling, an "anchor" to guarantee that they are saved.

Their solution was a very old one. What distinguishes the dissident or the truly moral individual, is the willingness to *sacrifice*, even to the point of taking the supreme act of moral responsibility – a sacrifice of one's life. The most authentic lives are sacrificed ones. It is only at this point, that it is clear that one is threatening power, not serving its interests.[35] As with Calvin, the sacrifice of one's self becomes an evident sign of the "calling," reinforced by belonging to a "community of the saints." But sacrifice does more than assure dissidents that they are saved, it also endows them with a form of moral authority, or "pastoral power." This is Foucault's term for a form of power, modeled after the authority of the Christian pastor but common to many Western institutions. It is not the power of the price, who commands obedience, or the power of the capitalist, who can threaten unemployment, but the power of the shepherd, who takes care of the flock and thereby claims their submission. The ultimate support for the authority of the pastor is his willingness, as the "good shepherd," to "be prepared to sacrifice himself for the life and salvation of the flock." This self-sacrifice allows the shepherd to demand some form of sacrifice from each individual, specifically in the form of prescribed rituals (confession) by which they will make themselves knowable to him. The pastoral art of guiding individual conduct is based on the knowledge of hearts and consciences thus gained.[36]

The notion of "sacrifice" was first introduced into dissident discourse by the Czech philosopher Jan Patočka, in a treatise on the moral crisis of the twentieth century.[37] Patočla follows Heidegger, in characterizing the modern condition as dominated by *techne*, by an understanding of Being through the lens of scientism and technology. It is in the name of life, that the "forces of day" (i.e., enlightenment, progress, better standard-of-living) rule us all: "How do day, life and peace reign over every individual's body and soul? Through a threat to life through death. From the perspective of day, life is everything to the individual. It is the highest value." Precisely because of this, the experience of the front-lines in World War I offered some individuals a way of negating "the forces of peace," because it held out the sacrifice of life itself as something that was demanded of the individual as a supreme show of courage and loyalty. Sacrifice negated progress, the extension of meaning towards some anticipated "well-being." Yet the war did not manage to emancipate humanity from the rule of *techne*. In both communism and capitalism, society continued to be based on death as "the bond which people prefer to ignore." In the second half of the twentieth century, argued Patočka, the new experience of sacrifice is *dissidence*.

It is "resistance to the demoralizing, terrorizing and beguiling motives of day, a resistance which reveals their true nature.... Those who are exposed to the pressure of Force are ... freer than those who behind the front-line worry whether and when their turn will come." And Patočka suggested that the solidarity among all "dissidents," all those who experienced sacrifice, "the solidarity of the shattered," will serve as moral guide for the rest of humanity:

> The solidarity of the shattered ... who can grasp that history amounts to the conflict between mere life, life that is bare and shackled in fear, and life at the apex, life which does not plan but which clearly sees that there is a limit to everyday, to life and its "peace." Only he who can grasp this is a spiritual man.

The role of dissidents is not to challenge the political leadership, but to urge the rest of us to take responsibility for the meaning of our own lives: "The solidarity of the shattered ... will not offer positive programs but will ... create a spiritual atmosphere and become a spiritual power that will impose certain limitations on the warring world."[38] Thus, "anti-politics" signified the dissidents' renunciation of political power in favor of pastoral power. Sacrifice completed the dissident technology of the self, and allowed it to be exported outside their "community of the saints," both because it grounded its hermeneutic indeterminacy and thus allowed to transform it into ritual, and because it established the "spiritual power" of the dissidents to guide the consciences of individuals. This is why the dissidents, as pastors of human souls, were "anti-political." They were not interested in formulating political programs, but in "raising people's political understanding to a much higher level, kindling and encouraging the moral integrity and independence of mind of ordinary citizens."[39]

At this point the reader may legitimately wonder how is it possible to attribute such force to what were, after all, isolated writings of persecuted intellectuals. What is this "pastoral power?" Is it possible to show that the dissidents' claim to authority was recognized? It is important for me, therefore, to pause and clarify: the preceding was not an argument about how the dissidents were perceived by ordinary people. In fact, there are strong indications that most of the population did not think much of the dissidents' and their claims to moral superiority.[40] What I analyzed was a claim, and recognition of such claims to cultural power, whatever their basis of legitimacy, is never a given, and always needs to be enforced through struggle. Only long after these stuggles have been fought and won, and their traces covered

over, could the victors enjoy facile recognition of their claim, solely on the basis of its "legitimacy." In the case of the dissidents, who were "outside" the official sphere, this meant a struggle against the orthodoxy of the cultural field, which during the years of "normalization" was composed mostly of "reform communist" intellectuals, individuals who were in positions similar to the dissidents before 1968, have espoused the "spirit" of the 1968 reforms, but for some reason have managed to stay in their jobs. Sometimes because they were too well-known to be dismissed, sometimes because they recanted, sometimes by force of chance. It is precisely through these struggles, indeed, forced by the very logic of the struggle, that "anti-politics" takes shape. The dissidents' peculiar world view, in which technologies of the self play such a crucial role, is at least partially the result of needing to place an usurpatory claim as if from "outside," and against reform communists.

There were a series of such struggles, more or less erupting around the formation of "charter 77." Here I can only focus on one of them, to illustrate my argument. This is the debate on the expulsion of the Sudeten Germans. It began in the late 1970s, more than thirty years after the events, in which three-million ethnic Germans were forcibly removed from their homes and driven across the border. It was conducted in samizdat and émigré journals, and eventually even in official party publications, i.e., the dissidents were so successful that actors in the official cultural field could no longer ignore what was happening in the parallel sphere. On one side were dissident historians, who criticized the wisdom and especially the morality of the expulsion; on the other side were reform communist intellectuals justifying these measures on practical grounds.[41]

The main argument of the dissident historians was that the expulsion applied the indefensible notion of collective guilt. Consequently, they argued, not only was it unjust, but it also helped to create the moral climate for the communist show trials of the 1950s. Additionally, the looting encouraged by the government undermined the concept of private property, and played into the hands of the communists by creating their constituency in these regions.[42] The treatment of the Germans also served to ruin any respect for individual rights, and can explain why the Czechs have lost their "European values." The reform communists, on the other hand, considered the expulsion to be a tragic necessity. They dismissed the notion that it led to the show trials. These were due to Stalinism, and took place also elsewhere in Eastern

Europe. But the stakes of the debate were not merely the goals of revisionist history as against orthodoxy. At stake was the meaning of dissidence itself: "Czech dissidents have a moral duty to overturn the judgment on the expulsion, as their struggles with the government rested on the foundation of a call for the recognition of the same basic human rights denied to the Germans."[43] Similarly, the argument that "it happened also elsewhere" did not satisfy the dissidents. This was precisely their question: why were the Czechs behaving like the East and not the West? Obviously, at stake in this struggle was the pastoral position the dissidents were claiming to themselves. They offered themselves as confessors to the Czech nation, systematically finding evidence of moral corruption in all aspects of national life, but tracing them not to an ideology (which would have forced them to struggle "within the field"), but to the "original sin" of the expulsions – hence the peculiarly moral character of their critique, and their emphasis on the value of sacrifice. To the extent that they were successful in making their case to the readers of samizdat journals, and since increasingly these readers included the "staff" of the regime, the dissidents have managed to de-legitimate reform communism and to prepare the ground for their return to positions of cultural power after 1989. One of the first acts of Havel as President was to apologize to the Germans for the expulsions. Such an apology was meant to start a chain of confessions from those who moved into German property after the expulsion, and then by association, from all those who similarly collaborated in the crimes of communism. A society that accepted its "guilt" would have been a society that accepted the pastoral power of the dissidents.

The "this-worldly" side of the dissident ethic: The discourse of civil society

Having lost their position in the cultural field, the dissidents set out to regain it while launching their struggle from "outside." This predicament goes a long way toward explaining the peculiarly moral character of their critique, and their claim for pastoral power. Sacrifice, however, was a much too shaky basis for it, especially because as outsiders the dissidents were particularly vulnerable to another weapon the regime and reform intellectuals had at their disposal – indifference. Indeed, by May 1978 the dissidents were already in trouble. As Václav Benda noted, the regime realized that by confronting the dissidents and locking them up, it had accepted their choice of weapons, i.e., the weapon of sacrifice. Therefore, the regime stopped persecuting the dissidents, and

instead, limited itself to "acts of strangulation in the dark." Nothing could have been more deadly to the dissidents than silence.[44]

The only way the dissidents could have maintained their pastoral authority, in this context of regime indifference, and being outside the official sphere, was to create their own alternative cultural sphere, in which their authority would be recognized. This was essentially Benda's suggestion, that dissidents engage in the creation of "parallel structures that are capable, to a limited degree at least, of supplementing the generally beneficial and necessary functions that are missing in the existing structures": a parallel legality, a "second culture," alternative education, a parallel information network. In short, a "parallel polis" that will be the concrete materialization of the dissidents' sense of moral commitment and mission. Benda thus offered a way to secure recognition for the dissidents' claim: not the act of sacrifice, which was an "abstract moral stance," but engagement in "civic activities" and the building of a moral community, indeed a "new Jerusalem," which would not be ruled by politicians but by pastors:

> I am not asking, therefore, whether we should proceed from a moral basis, but how to make that aspect inspiring and mobilizing once more, and how to ensure that its influence will persist.[45]

The result was a secularization of the dissident ethic. Now the "calling" meant not just work on one's self to attain authenticity, but working with and on others to create a moral community. This was the first meaning of the term "civil society" in dissident discourse. It offered others, who were not dissidents, a way of working on themselves and bettering themselves, if they confess, and if they engage in conscientious work to improve society, provided this work is "parallel," i.e., under the authority of the pastors. The direct result of this shift was that the dissidents began to think *as* pastors, i.e., not just how to govern their own conduct, and make sure they behave morally, but how others govern their own conduct and how will it be possible to influence it. Or put differently, when the dissidents began to elaborate the vision of civil society, they attempted to turn their newly found cultural authority into a political weapon. They attempted to convince the staff of the regime of its utter irrationality and immorality. What they opposed to the socialist state was "civil society," or the vision of a form of rule in which responsible individuals can govern their own conduct in a moral and authentic way, i.e., they can "live in truth."

This was the second meaning of the term "civil society" in dissident discourse, it was a "governmentality" (to use Foucault's phrase), a political rationality that utilized pastoral power. It means thinking how to shape the conduct of individuals and populations, preferably "from a distance," not by commanding them, but based on a knowledge of their nature, and divising institutions in accordance with this task. As Foucault explains, in the political discourse of the sixteenth century "government did not refer only to political structures or to the management of states; rather it designated the way in which the conduct of individuals or groups might be directed."[46]

A good example of this new political rationality is Havel's polemic against article 202 of the Czech criminal code. He recounts an episode in which he got into a scuffle with the headwaiter of a certain pub, and ponders the possibility that he would have been charged with "disturbing the peace" in accordance with this article. Article 202, says Havel, reflects a "certain way of governing" inherited from Czarist Russia, which seeks to keep citizens under permanent control. It does so by creating malleable laws, which can be easily extended to include all behaviors, and used according to the whim of the authorities for political repression or settling personal accounts.[47] Alongside the critique of the repressive nature of the regime, one can sense Havel's disdain for the irrationality of this mode of rule, which thus dispenses with individual self-regulation. Instead of facilitating the exercise of individual responsibility, it requires "the surrender of one's own dignity ... and the acceptance of what amounts to an official moral commandment: 'don't try to put out a fire that is not burning you.'" Havel's language is pastoral: instead of taking care of the flock, this centralist power "sees society as an obedient herd whose duty is to be permanently grateful that it has what it has."

It is not simply the regime's repressive practices that are being criticized here, but the very mode of governing that allows such practices to develop in the first place. This mode of governing not only leaves the door open for abuses of power, but actively corrupts the moral sensibility of citizens, and has led to the destruction of the moral fabric of the nation. Here, the dissidents' critique of the paternalist, consumerist policies of the regime was no less scathing than their attack on repression or ideological falsehoods. Instead of rewarding individual merit, the paternalist system benefits "parasites," those who control distribution and manufacture scarcities. Consequently, "a decent ... individual ... is faced with the following choice: either to cease behaving responsibly

and honestly or to give up his material living standards." It is a mode of governing that "actively counts on the human propensity towards laziness, egoism and indifference, [which] ... corrupts us as citizens ... [and] compromises us before our own selves."[48]

It is clear that this critique is formulated from the point of view of an alternative mode of governing individuals, i.e., "civil society." The perception of a subtle rapport between political institutions and individual moralities indicates also the possibility of establishing a delicate balance in which the two support one another. Individual responsibility is at once the fruit of correct regime practices, and the support of a functioning polity. This was why the dissidents seized on the Helsinki accords and began fighting for civil rights. Not because they thought that they could topple the regime in this way; nor even because they sought to dramatize the boundaries of the permitted – this would have been "politics!" If we listen to what they said then, we realize that their struggle was meant precisely to demonstrate this rapport between responsibility and the rule of law; to carve out, as they put it, an alternative sphere of legality. They collected data about the wrongly persecuted; they obtained detailed records of court proceedings and critically appraised the reasoning behind them; they defended human rights; but they also asserted the duties and responsibilities of citizenship. To emphasize again: the point of all these activities was not to challenge the regime, but to lay the foundations of the parallel polis, to protect and facilitate the "self-organization of society." This self-organization contrasted sharply with the "mechanical" order of the state plan. It arose from the free play of social interests, from the clash of different realities, provided certain rules were observed and the players were civil. Hence the ultimate foundation of "civil society" was the rule of law – a framework of general, universal (hence mostly procedural) rules – not only because it ensured "fair play," but more importantly as a form of government that educated people to become responsible. This was the core of the dissident art of government: individual responsibility and the rule of law supported and facilitated one another. The technology striving at true knowledge of one's self, was at the same time the foundation of civility, i.e., of governmentality.

With this vision the dissidents effected their return to politics via the route of "anti-politics," since they confronted the staff of the regime with the example of a superior, more rational, form of rule. They no longer rejected politics, or even the state, but recast its role as a governor, who secures the conditions for self-organization of society

by means of example, tutelage, and the rule of law: "The state is too important a social institution to be understood merely as a parasitical organ that can be gradually pushed out of the life of society ... the state ... as a function of society, as an instrument of a democratic balancing of long-term and short-term interests ... and as the guarantor of those interests, will always be necessary in some form, even though we might call it something else." It is only because the socialist rulers of society have failed miserably in this respect that parallel structures are necessary.[49]

As I noted earlier, this dissident vision of "civil society" was not identical to the eighteenth-century concept. It differed from it in two respects: first, "civil society" was not a natural given, but something that must be constructed, protected, educated. It consisted of a natural tendency for or valuation of autonomy, but this was quite precarious and could only thrive within carefully constructed conditions.[50] Second, and related, the dissidents have placed a much greater emphasis on the pastoral side of the art of government, i.e., on the tasks of civic education, rather than on finding technical means that would allow the natural tendency for order to express itself. This bias was obviously in accordance with their professional skills, and with the "technology of self" they developed. Nonetheless, what the dissidents shared with the Scottish enlightenment was the problematic of governmentality, i.e., how to create an environment in which individuals can responsibly govern their own conduct. From the early 1980s onward, this problematic informed their critique of the communist regime, and especially their charge that communist regime practices were irrational, and precluded all possibility for self-regulation of conduct. What they still lacked, however, was a *technology* of government, technical means with which to act on individuals and populations from afar, and guide them toward the desired goal of "civility." In the next section, I argue that "monetarism" is precisely such a technology of government.

Monetarism and the technocrats

Who were the technocrats and how did they become monetarists?

After the 1992 elections, the topmost political positions in the Czech Republic fell to a cohesive group of technocrats, some of whom have already served in the 1990–1991 administration. As can be seen in Table 2, they controlled the position of prime minister, the key economic

Table 2. Career trajectories of "monetarist" members in the 1992 Czech government

Name	Degree	First job	Second job	Third job	Fourth job	1992 position
Václav Klaus	Economics 1964	Scientific worker, EICSAV[a] 1965–1970	Clerk, SB[b] 1971–1982	Economist, SB 1982–1987	PICSAV[c] 1987–1989	Prime-minister
Karel Dyba	Economics 1968	Scientific worker, EICSAV 1972–1984	Scientific worker, PICSAV 1985–1990	N/A	N/A	Minister of economic development
Dušan Tříska	Economics 1973	No information	Scientific worker EICSAV 1979–1990	N/A	N/A	Deputy finance minister
Vladimír Dlouhý	Economics 1977	Studies abroad 1977–1983	Lecturer, University of Economics 1983–1989	Scientific worker, PICSAV 1989	N/A	Minister of industry and trade
Jan Stráský	Economics 1970	Economist, SB 1970–1990	N/A	N/A	N/A	Minister of health
Richard Salzmann	Law 1952	Clerk, SB 1954–1968	Central office, SB 1969–1990	N/A	N/A	KB[d] chairman
Josef Tošovský	Economics 1973	Various functions, SB 1973–1984	Economist, London branch of SB 1984–1985	Adviser, SB 1985–1989	N/A	SB, Chairmen
Toma'š Ježek	Economics 1962	Scientific worker, EICSAV 1964–1984	Leading scientific worker, PICSAV	N/A	N/A	Minister of privatization

[a] Economic Institute of Czechoslovak Academy of Sciences.
[b] State Bank.
[c] Prognostics Institute of the Czechoslovak Academy of Sciences.
[d] Commercial Bank (state owned).

portfolios, as well as the chairmanship of the state bank (SB), and the state's "commercial bank" (KB). They were all economists or at least finance experts. Seven of them had formal economic training in Czech institutions, and four of these seven have also studied economics abroad. They all cite these experiences as crucial in shaping their views.[51] All of them were employed by either the SB or one of the economic institutes of the Czechoslovak academy of sciences (ČSAV).

With the exception of Tošovský and Dlouhý, most of them progressed only slowly in their careers. On the average they graduated 24 years before 1989, but hardly any of them rose above the position of a scientific worker in ČSAV, or an economist in SB, by that time. Why? Again the answer is that they were demoted, or their careers were blocked, due to their 1968 activities. Václav Klaus, who was embarking on a brilliant career in theoretical economics in the late 1960s, was fired from the institute of economics of the ČSAV in 1970, as part of "normalization," due to his advocacy of Western-style economics. He was forced to join the SB as an ordinary clerk, and climbed his way up slowly. Richard Salzmann, who already suffered during the 1950s due to his "bourgeois" origins, was again demoted for participating in drafting the 1968 program for banking reform. Dyba, Ježek, Stráský and Třiska were all stalled in their academic advancement, and up till the mid-1980s remained in practically the same position they held at the onset of normalization.

Thus, these individuals were not co-opted by the regime, they were not promoted after 1968, but rather stalled in their careers. But it is also true that they were not dissidents either, they did not opt for the dissident life-style of precarious moral existence, nor were they particularly rebellious. None of them, apart from Stráský, even knew any of the dissidents, let alone joined in their activities. Finally, even though they were working for the regime, they were no "reform communists." They were all interested in Western-style economics, and have participated in seminars held at the state bank during the early 1980s, where they discussed "non-Marxist economics." The best way to describe the identity of these individuals is as "internal exile." Their response to the crisis of 1968 was homologous to that of the dissidents in the sense that they opted "outside" politics, but their retreat was essentially a conservative one, into the private sphere, accepting some sort of bargain with the authorities ("we will not bother you, and you will not bother us"). Their interest in Western-style economics was clearly congruent with this existential choice. It was tolerated by the authorities, but it was "outside" politics, since it was not geared toward thinking how might the regime be reformed, and it was not part of a conversation or debate with official economists. In fact, many of their meetings were conducted quasi-secretively, like their "apartment seminar" on Hayek (two of whose books Ježek translated), so that they seemed geared to preclude in advance any such contacts with the authorities. Thus, they formed a tightly knit social club, an "alliance of souls who understood one another," and did not communicate with reform communists.[52]

Thus, their taste for "internal exile" was conditioned by their relatively low position in social space, by the fact that their mobility was blocked. But this "life-style choice," in its turn, led to their adopting a heterodox ideology, which precluded alliance with "reform communists." The identity thus created, of "internal exile," reinforced their existential choice and contributed to the stalling of their careers. Only in 1985 did they finally begin to form ties with "reform communist" economists, but since their group had already formed and was quite cohesive, and since the economic crisis of the regime was acute, they did so from a position of strength. In 1985, Dyba, Dlouhý, Ježek, and Třiska moved to the newly-formed "institute of prognostics." Headed by Valtr Komárek, a reform communist economist with social-democratic leanings, the institute was a center for the more heretical study of economics, entrusted with developing some form of market reforms. In 1988, the four managed to bring Klaus to the institute. When "Civic Forum" was formed, the staff of the institute of prognostics became its economic team. Klaus and Dyba became prominent Forum members, and Klaus and Dlouhý were appointed ministers of finance and economy respectively.

The monetarist technology of government

Václav Klaus was the recognized leader of this group of economists, partly due to zeal and seniority, but also because he was "the consummate economic theoretician."[53] Both Třiska and Ježek mention him as a major influence in their life. He himself cites being most influenced by the works of Milton Friedman and Hayek, during his studies abroad. He characterizes his group of economists as one that "pored over foreign text books," and which was critical of the idea of "the third way." They distinguished themselves from reform communist economists by their adherence to Western monetarist economics, and because they did not believe in detailed reform plans. What they wanted were "simple, general, fixed rules; or macro-equilibrium, improvements in the strength and quality of markets and rational macro-economic policy. They believe in certain general principles of monetary economics which are relevant across many different types of institutional arrangements and they advocate an orthodox public finance approach."[54]

What is this "monetarism" that formed the world view of this group? "Monetarism" is usually understood as an economic theory that chal-

lenged mainstream Keynesianism in the early 1970s. Klaus certainly refers to it as informing his world-view. Additionally, "monetarism" could also stand for a set of economic policies associated with the neo-conservative revolution, and with the recommendations of world economic supervisory agencies.[55] Klaus's relationship to these is more controversial. Many observers of the Czech economy have actually questioned whether Klaus was "truly" a monetarist as he claimed, because some of his policies, in particular the very low level of unemployment, seemed to contradict neo-liberal tenets.[56] Klaus, for his part, has replied that IMF recommendations were not altogether sound economic policy. Thus, we seem to be faced with a choice between accepting the view of observers (which reflects IMF orthodoxy), according to which Klaus's monetarism is a "sham," and has little to do with his actual policies; or accepting Klaus' own self-characterization as the only true interpreter of monetarist classics.

I believe, however, that there is another option open, apart from involving ourselves in what is essentially a struggle over *doctrine*, namely, monopoly over the interpretation of the scriptures. Interpretation and interpretative struggles are inescapable elements of this process and it would be impossible to try to adjudicate between the sides. Instead, it might be a more fruitful analytical strategy to consider monetarism not as a doctrine, but as a *technology*, i.e., a realm of practical reason and action that is relatively autonomous from both usage and abstraction, policy and theory. Whenever monetarism is treated as doctrine, analytical attention is always focused on the gaps between policy and theory, which are then pronounced as "failures" or as pragmatic (even "cynical") modifications. For example, the low level of unemployment in the Czech Republic is taken as evidence that Klaus's monetarism is merely rhetoric, and that his policies are really motivated by the need to respond to powerful interest groups. Such explanations, however, do not account for the conditions of possibility of such "deviations," the reasoning that guides them, and the technical means that permit them. Analyzing monetarism as a technology means precisely that we investigate "pragmatism" as a structured mode of thinking and acting, as a "practical rationality" that mediates between policy and theory.[57] From this point of view, as we shall see later, it is not full employment that is the problem, but the inflation that tends to accompany it.

What does monetarist technology consist of? Let me offer a definition that progresses from the general and less interesting characteristics monetarist technology shares with others of the same type to its

uniquely differentiating qualities. *The first, and the most general point, it is a technology for governing economic life.* To understand this point, we need simply to remember that the term "economy" itself only recently came to mean a "sphere of society." Early in the eighteenth century, it still referred to an economizing art of government, a way of putting things in right order. We retain this sense when we say that someone does something "with economy," i.e., orderly, frugally, rationally. Thus, when we treat monetarism not as an economic theory, but as a technology of government, we merely return to the original sense of the term.[58]

Second, monetarism is a liberal art of government. Indeed, our modern usage of the term "economy" as a sphere of society began with liberalism, because it was with liberalism that the object of an art of government began to be understood as a social sphere, and the art of government came to consist in exploiting the natural tendencies for order inherent in this sphere.[59] It is a technology for governing "from a distance," without intervening or taking hold of the governed.

Third, and to somewhat modify the previous point, monetarism is a neo-liberal art of government, in the sense that it adopts a constructionist attitude toward its object. To be able to act from a distance, neo-liberalism first seeks to create self-organizing spheres of social action, and to empower individuals so they would act as autonomous, responsible agents.[60]

Fourth, what distinguishes monetarism from other neo-liberal technologies of government is the procedure of monetarization. Monetarism constructs self-organizing spheres of social action, and acts on them from a distance, by imposing monetary representations on social reality, which thus render it calculable, knowable, and hence governable and self-regulating. This is *not* to say that self-regulation or equilibrium is *actually* achieved, but these representations do allow the monetarist art of government, to a large extent, to remain liberal, i.e., to act from a distance, carefully to cultivate self-regulation, and to avoid as much as possible gross interferences. Like all other representations – maps, charts, statistics, reports and forms – monetary ones open the possibility for regulating the conduct of individuals and populations "from afar," because they can mobilize distant phenomena, and bring them closer into "centers of calculation."[61] Monetary devices representing a population (for example, "the money stock") or an individual (for example, "human capital") have the added advantage that they afford

precise calculation, and they exploit a tendency of markets to self-regulate.

A good example of monetarization in the Czech case is voucher privatization. If we think of monetarism as doctrine, voucher privatization may seem heterodox, because it failed to produce identifiable owners. But if we think of it as a technology, voucher privatization is a clear application. Instead of locating capital that would purchase former state companies, or instead of de-monopolizing the economy by breaking the huge concerns into smaller units, as was suggested by reform communists, Klaus and company were interested first and foremost in creating a *market* for the shares of these firms. Why? Because in this way they could divest the state of direct control, i.e., of action not "from a distance," and submit former state firms to financial control through banks. The choice of voucher privatization cannot be explained by strictly economic criteria, nor by calculations of profit on the side of government. After all, for many of these firms, the market has not even found a price yet, let alone owners.[62]

Fifth, monetarization is aimed at rendering individual choice governable "from a distance" in two ways: a) it allows the governor to act on information, rather than on actual activities; b) it allows the governor to act on risk probabilities, rather than on concrete individuals. Monetarization creates self-organizing spheres, which can be governed from a distance, because money, prices, and markets supply potentially unambiguous information, and thus render choice statistically predictable. The art of government, from a monetarist perspective, consists therefore in guaranteeing that such information is "transparent," i.e., not only that it is available in the public sphere, but that its meaning is unambiguous. This imperative is what dictates that the monetary authority be limited by a set of binding rules resembling a constitution, i.e., a balanced budget and a rule of fixed slow growth in the money stock. Why? not because one shouldn't "intervene" in the economy, but because such discretionary policies *distort information*. While from a Keynesian perspective, setting inflation targets, printing money, deficit financing, etc., are "interventions" in the economy, i.e., means of stabilizing a delicate machine liable to get out of hand, from a monetarist perspective they are a risky form of governing, which distorts information, sends "the wrong signal," and introduces systematic expectational errors.[63]

This accounts for the vehement aversion that monetarists profess against inflation. Not only does it distort prices, and prevent rational decision-making at the level of the enterprise, but it precludes rational government of the economy. If there is no fixed rule of growth in the money stock, then even when policy-makers set low inflation targets, individuals are likely to expect them to renege on their promises, since they have done so before. These inflationary expectations create a self-fulfilling prophecy, which introduces a systematic distortion of information. Thus, discretionary policy only leads to "perverse effects" such as spiraling inflation.[64] It is noteworthy, therefore, that throughout Klaus's reign the Czech Republic maintained lower levels of inflation than its neighbors, even when this meant that it lagged behind in terms of growth.[65] A similar point could be made about bankruptcies. Again, if we treat monetarism as an economic theory, it is difficult to explain why Klaus would be so averse to implementing a bankruptcy law. The law was presented to parliament in 1991, but was passed only in 1995 due to government stalling. Additionally, nothing is explained by accusing or celebrating Klaus for acting "pragmatically." If we think of monetarism as a technology, however, it is clear that bankruptcy, at least at this point in the process of transformation, ran counter to monetarization, and therefore had to be suspended. The problem was that, as is now routinely the case in Russia, firms could avoid bankruptcy or survive after bankruptcy by resorting to unmonetized exchange, i.e., the barter economy. The result would have been a lack of transparency of economic transactions, and with it loss of capacities to govern from a distance. Thus, from a "technological" point of view, the bankruptcy law had to take the back seat until all firms were firmly under financial control, i.e., after the rounds of voucher privatization were completed.[66] Once information is transparent and unambiguous, the possibilities for "control from a distance" are vast, as is evident today in the field of corporate control.[67] But they are not limited to the corporate sphere. Monetarism is not only a technology to govern economic life, narrowly understood. On the contrary, it is potentially a technology for an economic government of *social* life, namely the imposition of monetary representations on a wide array of "social problems" such as crime control, immigration, or family planning, which are then to be governed and stabilized by "organized financial markets."[68] For such an economic government of social life to become conceivable, however, monetarism had to overcome an internal boundary, namely the problem of individual rationality. Liberal technologies of government, since they seek to govern through individual autonomy and choice, are limited by the extent to which individuals are rational

and make rational choices. Consequently, they tend to correlate with a relatively exclusionary vision of civil society, defined by a strict boundary-line separating reasonable individuals, activities, and spheres of life from non-reasonable ones.[69] Or they resort to disciplinary mechanisms geared at normalizing individuals. Monetarization, however, permits an ingenious sidestepping of this boundary, by, so to speak, randomizing rationality.[70] Instead of dividing individuals, one can assign the degree of confidence with which individuals, within a given sub-division of the population, can be treated *as* rational. If, then, those degrees of confidence are translated into prices on a market, they are sure to find a point of equilibrium where rationality is maximized. This is precisely how insurance or credit technologies work, and this is what I mean by noting that monetarism governs risk probabilities rather than concrete individuals. This is important because risk technologies offer a "utopian" vision, in which money serves as the basis for "global re-description of the social as a form of the economic," and the boundaries for inclusion in civil society are minimal, because concrete individuals are deconstructed into bundles of monetized probabilities (preferences, expectations, etc.)[71] Consequently, even though this side of monetarist technology is as of yet less developed in the Czech Republic, the utopian vision it offers explains a great deal about the mutual attraction between dissidents and monetarists. The dissidents are attracted to the inclusive concept of civil society permitted by monetarist technology, while the monetarists recognize that the economic government of social life necessarily falters without a corresponding pastoral campaign to produce responsible individuals,[72] a campaign which, in the Czech Republic, cannot be conducted without the dissidents.

The elective affinity between monetarism and the dissidents' discourse

What was it exactly that monetarists and dissidents shared? In what follows, I show that they shared a similar conception of how society should be ruled, and a similar vision of the role of intellectuals. Both these affinities, I argue, stemmed from the homology between their identities of "dissent" and "internal exile."

The Cassandra complex: As the reader is well aware, Cassandra, daughter of the king of Troy, was cursed with impotent prophetic powers. She was able to foresee the future, but it was her doom that

none would ever believe her. Following the demise of the "new class" project, dissidents and monetarists no longer strive for the role of teleological intellectuals, i.e., of the prophets who predict the future and plan for it in advance, precisely because they are keenly aware of the "perverse effects" that such prophecy conjures. Like Cassandra, they can only predict misfortune, hence they prefer to be silent. Hence the paradox of the current moment in Czech history, when intellectuals and technocrats probably hold more official positions than they ever did, but at the same time they entertain a rather limited view of their own power and influence. The dissidents' much-bemoaned "exit" from politics suited their taste, since what they strove for was pastoral, rather than temporal, power. The monetarists' unique hold on decision-making power was limited by their own perception of their role as technicians of the transformation, and by the very technology at their disposal. Both groups rejected as "totalitarian" the suggestion that intellectual knowledge could be the basis for planning society, and pointed to the vicissitudes of prediction as the source of "perverse effects."[73] As we saw earlier, monetarists show that any attempt to set an inflation target is bound to lead to its own undoing, because economic actors will not take the planners on their word. Thus, monetarists are quite suspicious of "prognostics," "industrial policy," etc. Dissidents as pastors do not claim anymore to know the future, nor even the best way to get there. They have learnt that any attempt to plan a moral society is bound to bring its opposite, since emancipation is an inner process, and cannot be prescribed from above.

The task of civic education: instead of teleological intellectuals, Czech dissidents and monetarists see their role as pastors and "civilizers." Their role model is no longer Joseph in Egypt, but Moses in the desert. Like Moses, their task is to turn slaves into free individuals, by giving them laws and educating them to become law-abiding citizens, who can be governed by gentle admonition rather than coercion. And for both groups this means turning people away from material values, from consumerism, from the flesh-pots of Goshen, toward spiritual, i.e., ascetic, civilization. Like Moses, dissidents and monetarists take upon themselves the role of shepherds, telling people that the road to civilization passes through the desert of sacrifice and submission to a new code of law:

> What we have lived in for the past 40 years has been nothing but a gigantic experiment, in which society ceased to be governed by the general laws that hold true for all people.... We abandoned our most precious civic values, the

> product of a thousand-year evolution, embodied in institutions, rules of behavior, the market framework.... We shall need to change many of our habits, and to sign what specialists call "a new social contract" that will be very different from what we knew in the past.... I believe that radical economic reform is threatened ... by our lack of courage, ability and decisiveness in undoing the comfortable old social contract.[74]

Monetarists as a rule tend to emphasize more the role of the market as an "impersonal" educator for greater responsibility,[75] while dissidents place more value on moral education, confession, and pastoral practice. Nonetheless, both assume the same role of "governing" rather than commanding.

Living within the truth: both the dissidents and the technocrats seek to create the conditions under which individuals will govern themselves. In other words, they try to create the conditions for "living within the truth." Individuals will be able to make meaningful decisions about their actions, if they can measure them by something, and if this measure holds good in all realms of life. For Havel, this measure was truth or morality or authenticity and it required a constant struggle to maintain. But for monetarists this was a technical problem, for which monetarization gave an adequate answer. Their message was: if you let the market work, if you have the correct prices for everything, i.e., you have a "rational" price structure set by the market, then you "live in truth." You live in truth since your conduct is governed by cues (prices) set naturally (by the market), which reflect truthfully their value (in money). You can then make meaningful choices, calculate your steps rationally, and behave responsibly. If, on the other hand, as in socialism, you do not monetize or balance your budget (which amounts to the same thing), than you "live within a lie," just as in inflation. For Havel, "living within a lie" meant that one lost the measure of things, namely morality, and that private and public selves did not coincide. Similarly, socialist redistribution meant living within a lie, since it minimized the role of money, the universal measure, and supply and demand did not coincide. The redistributor could not know whether the economy was productive or not, profitable or not, rational or not.[76] This was one of the major reasons why the Czech dissidents, some of whom as late as the mid-Eighties were still social democrats, suddenly acquired a taste for monetarist austerities. They too discovered money as the technical equivalent of pastoral power:

> ...as time goes on, the role of money is being greatly reduced. Had money managed to retain its role of universal currency, the situation would not have

> become so alarming. Under such circumstances some people would have just ended up owning much more than others ... as it is, however, many people come to be able to wield power which they officially do not have, and which they are not supposed to have. Unfortunately, this kind of power is not mediated through the vehicle of money. It is direct, hidden and uncontrollable. As the result of the power concentrated in the hands of these influential individuals, it becomes almost impossible to ascertain what is actually going on in society.[77]

Note what qualities money is endowed with here. Money mediates social relationships, and especially the exercise of power, in an indirect and public manner that hence makes it possible to regulate power. Moreover, money is a means of accounting for "what is actually going on in society," and thus creating the conditions for responsible individual conduct. Money is moral, it is a universal measure of social activities, which guarantees that they will be conducted in a fair way. In short, provided that correct monetary practices are observed, money has the power of civilizing society.

Action at a distance: Czech dissidents envisioned a society ruled by "pastoral power," i.e., not by command or repression, but by a government of conduct "from afar." To the extent that society will be "civil," it will also be self-organizing with a tendency to natural order. The dissidents envisioned themselves only assisting in this self-organizing process, providing examples, advice, and other forms of civic education. Monetarists shared the dissidents' penchant for societal self-organization, and for avoiding interference with the self-organizing processes of society, but they also wielded a technology for acting "from afar" on these self-organizing processes. Dissident civic education and monetarist technology came together and reinforced one another in economic policies such as voucher privatization. The decision to privatize by vouchers rather than by direct sales was motivated both by the monetarist interest in financial governance, and by the characteristic dissident concerns for equity and participation. Correspondingly, the effects of voucher privatization were understood to be multiple and mutually reinforcing: it generated mass participation and created "a massive new constituency in favor of a market economy"; it taught individuals how to participate in fair competition; it "generated share prices that arguably reflected demand and supply and thus ... contributed to the creation of capital markets"; and it divested the state of direct control and eliminated political corruption.[78] In short, it both imposed a monetary representation on the corporate sector, bringing it under financial control, and was a huge campaign of civic education, in

which Czechs were exhorted and given the chance to be entrepreneurial, responsible, and civil.

The rule of law: finally, both dissidents and monetarists agreed that the best way to govern individual conduct was on the basis of "the rule of law." As Havel complained, it was impossible to be a responsible individual if the rule of law was not observed, because one would not know when and how one might be breaking the law. Civility required that the exercise of power was not arbitrary but procedural. Similarly, monetarists favored constitutions and fixed laws, whether of slow monetary growth or of balanced budgets.[79] But monetarists did not have the clout, neither in parliament, nor in society, to impose such constitutions. After all, the other side of the equation is also true: the rule of law is impossible without civil individuals who uphold it. Hence the monetarists needed the dissidents and their pastoral authority to legitimate the new order, and educate the population in the virtues of responsibility.

Conclusions

As I explained earlier, the analysis of elective affinities was meant to demonstrate that an alliance between dissidents and monetarists became *possible* due to the homology between their identities, and that such homology derived from their proximate positions in social space. I also explained that such analysis cannot account for the *fact* of an alliance between them. After all, as many affinities as may have existed, there were also many disagreements and conflicts of interests. Indeed, the coalition between them proved short-lived, and by 1992 Klaus had managed to relegate all the former dissident leaders (apart from Havel) to the opposition. In conclusion, I turn quickly to the actual process by which the alliance between monetarists and dissidents was forged, because, even though it merits a separate study, I need to address it with respect to two final questions: in what sense was such an alliance, as short-lived as it was, significant? And what role was played by the affinities detailed above in its forging?

With regard to the first question, the fact that the dissidents invited the monetarists to join them during the roundtable negotiations between the opposition and the regime proved highly significant for the destinies of both groups, and for Czecho-Slovak politics. The roundtable negotiations were a crucial moment of indeterminacy, when political power

was up for grabs. Unlike Hungary and Poland, however, the decisive factor according to which political reputations were made or broken in the Czech Republic was proximity or distance from the dissidents.[80] For example, communist officials who managed to strike bargains with the dissidents, like Marián Čalfa, stayed in their positions for a long while, while others, like Ladislav Adamec, who could not find a common language with them, were promptly removed from the political scene. The situation of the monetarists, who were not dissidents, and some of whom were even members of the communist party, was quite delicate. By associating themselves with the dissidents they managed to create the requisite symbolic capital (untarnished pasts) to join the post-communist elite.[81] This alone should testify to the significance of the alliance between these two groups.

Why were the dissidents interested in bringing the monetarists into the negotiations? If we compare the negotiations in the Czech Republic with those on the Slovak side, we can gain a sense of the extent to which the affinities between the identities of dissidents and monetarists played a role not only in ushering the latter into the public sphere, but also in converting the former into neo-liberals: the few Slovak dissidents, mostly catholic nationalists, found it natural to ally not with neo-liberals, but with reform communist economists. In fact, they drafted them into the opposition negotiating team precisely as a counterweight to the Czech monetarist group.[82] This option was rejected by the Czech dissidents. They had formed their identities in the course of a struggle against reform communists, from whom they had worked hard at distinguishing themselves, and whom they now mistrusted. In this way, the parallel trajectories traveled by the dissidents and the monetarists facilitated and prepared the moment when they recognized each other as natural allies. Despite the later feuding between them, they were united by the common task they perceived, one that the reform communists at first did not comprehend, and later comprehended only too well, because it signaled their symbolic annihilation, namely the task of purifying society from its past by sacrifice and confession.

It is in this sense that I speak of the alliance between dissidents and monetarists as a "class alliance." They did not attempt to resurrect the "new class" project, quite the contrary; and they spoke in the name of the new universalism of "civil society," one that may be "flawed" indeed, but not in the sense that Alvin Gouldner intended.[83] But it was a class alliance in the sense that it was shaped by inter- and intra-class struggles,

with reform communists, and with a less-than-civil post-communist society. Indeed, nothing attests better to the class affinities at work in this alliance than the convergence of dissidents and monetarists on the ascetic rituals of the "spirit of capitalism," which, as already foreshadowed by the debate about the expulsion of the Sudeten Germans, introduced a subtle change in the universalism of "civil society": not only can it not be counted upon to organize itself, but it had to be *protected* against itself. Unwilling to shoulder the burden of sacrifices required to get to the promised land, the post-communist "generation of the desert" must be made to accept them. Dissident pastoral authority and monetarist "action from a distance" were transformed into the more austere gesture of *lustrace*. All this, however, was at the price of a fateful conflict between the Czech and Slovak post-communist elites, in the course of which the former Czechoslovakia split.

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Notes

1. Gil Eyal, Ivan Szelenyi, and Eleanor Townsley, *Making Capitalism without Capitalists: Class Formation and Elite Struggles in Post-Communist Central Europe* (London:

Verso, 1998). By "Central Europe," I mean Poland, Hungary, and the Czech Republic, and I distinguish their transitions from what has been the common pattern in "Eastern" Europe, namely Russia, Slovakia, Bulgaria, etc.

2. A good example is the coexistence in Russia of the "oligarchs," on the one hand, and the barter economy, on the other. See S. Clarke, "Privatization and the Development of Capitalism in Russia," *New Left Review* 196 (November-December 1992): 3–27; and Michael Burawoy and Pavel Krotov, "The Soviet Transition from Socialism to Capitalism: Worker Control and Economic Bargaining in the Wood Industry," *American Sociological Review* 57 (1992): 16–38.
3. Eyal, Szelenyi, and Townsley, *Making Capitalism without Capitalists* 56–62, 128–152.
4. Although this is not to the extent typically suggested in the literature, where the common wisdom has it that the nomenklatura in Poland and Hungary stole state property and turned itself into a new propertied class. See Elemer Hankiss, *East European Alternatives* (Oxford: Clarendon Press, 1990); Rudolf L. Tokes, *Hungary's Negotiated Revolution: Economic Reform, Social Change and Political Succession* (Cambridge: Cambridge University Press, 1996), 340–341; and Jadwiga Stanizskis, "Political Capitalism in Poland," *East European Politics and Societies* 5/1 (1991): 127–141. This argument is misguided for the following reasons: a) invariably, the old political nomenklatura in Central Europe was the "loser" of the transformation process. To the extent that former communists benefited from "spontaneous privatization," they were mostly mid-level managers and technocrats; b) their capacity to do so was directly proportional to the strength of the reformist fraction of the nomenklatura. This explains why Hankiss's analysis of Hungarian conditions has more merit, but Stanizskis's much less so; c) undoubtedly the nomenklatura planned to take over state property, but Hankiss and Stanizskis typically fail to take into account their own intervention. Wherever a strong opposition existed during late communism, it acted as a media "watchdog" and blocked spontaneous privatization. Eyal, Szelenyi, and Townsley, *Making Capitalism without Capitalists*, 128–142.
5. The determining factor being the weakness of the reform fraction of the Czech communist elite. For the consequences of voucher privatization in terms of diffuse ownership, see Kare Dahl Martinsen, "From Impotence to Omnipotence: The State and Economic Transition, 1989–1994," *Bohemia* 36 (1995): 330–361; and Peter Kenway and Eva Klvacova, "The Web of Cross-Ownership among Czech Financial Intermediaries," *Europe-Asia Studies* 48/5 (1996): 797–809. For an evaluation of the capacity of investment funds to supervise the managers, see Karel Brom and Mitchell Orenstein, "The Privatized Sector in the Czech Republic: Government and Bank Control in a Transitional Economy," *Europe-Asia Studies* 46/6 (1994): 893–928; and Josef Kotrba, "Privatization Process in the Czech Republic: Players and Winners," in Jan Svejnar, editor, *The Czech Republic and Economic Transition in Eastern Europe* (San Diego: Academic Press, 1995), 159–198.
6. Gyorgy Konrad and Ivan Szelenyi, *The Intellectuals on the Road to Class Power* (N.Y.: Harcourt-Brace, 1979). This critique of their thesis was formulated by Janina Frentzel-Zagorska and Krzysztof Zagorski, "East European Intellectuals on the Road to Dissent," *Politics and Society* 17 (1989): 89–113; and amplified by Michael Kennedy, "The Intelligentsia in the Constitution of Civil Societies and Post-communist Regimes in Hungary and Poland," *Theory and Society* 21/1 (1992): 29–76. For Bourdieu's approach to classes, see Pierre Bourdieu, "The Social Space and

the Genesis of Groups," *Theory and Society* 14/6 (1985): 723–744. But I do not accept the criticism that Konrad and Szelenyi's argument applied only to Hungary. The "new class" project played a major role, but also met its end, in the "Prague Spring." Jerome Karabel, "The Revolt of the Intellectuals: The Prague Spring and the Politics of Reform Communism," *Research in Social Movements, Conflict and Change* 18 (1995): 93–143.

7. I believe the same principles of analysis are applicable also to Hungary and Poland, but with two additional complications: a) unlike Czech dissidents, the Hungarian and Polish oppositions were split between liberals and nationalists; while b) unlike Czech cadres, the Hungarian and Polish communists were split between significant reform and hard-line factions. Why is this a complication? Because reform communists and nationalist dissidents were likely to coalesce around a project of representing the "nation," and protecting its interests. This coalition co-opted liberal dissidents and non-communist technocrats, and thus gave a nationalist bent to their self-understanding as *bildungsbürgertum*. I owe this point to an anonymous reviewer for *Theory and Society*. The analytical "purity" of the Czech case was thus the result of an actual "chemical" analysis, a real process of polarization in Czecho-Slovak politics, ending in the breakup of Czechoslovakia. The divisions between nationalists/liberals and reformers/hard-liners were "condensed" into the opposition between Czech and Slovak elites, the latter being composed precisely of nationalist dissidents and reform communists. See Gil Eyal, *The Breakup of Czechoslovakia: A Sociological Explanation* (Ph.D. Dissertation, Dept. of Sociology, UCLA: 1997).
8. Nikolas Rose, "Governing Advanced Liberal Democracies," in Andrew Barry, Thomas Osborne, and Nikolas Rose, editors, *Foucault and Political Reason: Liberalism, Neo-Liberalism, and Rationalities of Government* (Chicago: University of Chicago Press, 1996), 37–64.
9. Examples are: Václav Benda et al., "Parallel Polis, or An Independent Society in Central and Eastern Europe – an Inquiry," *Social Research* 55/1–2 (1988): 211–260; John Keane, editor, *The Power of the Powerless* (London: Hutchinson, 1985); Marc Rakovski (pseud. for Gyorgy Bence and Janos Kis), *Towards an East European Marxism* (New York: St. Martin's Press, 1978); Gordon Skilling and Paul Wilson, editors, *Civic Freedom in Central Europe* (London: Macmillan, 1991). We should also include in this list Western cultural entrepreneurs, some of them émigrés, who helped market this concept. See Andrew Arató, "Civil Society Against the State – Poland 1980–1981," *Telos* 47 (1981): 23–47; Jean Cohen and Andrew Arató, *Civil Society and Political Theory* (Cambridge: MIT Press, 1991); Adam B. Seligman, *The Idea of Civil Society* (New York: Free Press, 1992).
10. Steven M. Fish, "The Determinants of Economic Reform in the Post-Communist World," *EEPS* 12, 1 (1998): 31–48.
11. Václav Havel, *Summer Meditations* (New York: Vintage Books, 1993).
12. Petr Pithart, "Social and Economic Developments in Czechoslovakia in the 1980's (part I)," *East European Reporter* 4/1 (Winter 1989–1990): 42–45.
13. Pithart, "Social and Economic Developments."
14. Jiřina Šiklová, "Dilemmas of Transition: A View from Prague," *Peace Review* 4/4 (1992): 24–28.
15. John P. Moran, "The Communist Torturers of Eastern Europe: Prosecute and Punish or Forgive and Forget?" *Communist and Post-Communist Studies* 27/1 (March 1994): 95–109.
16. Jiřna Šiklová, "Lustration, or the Czech Way of Screening," *East European Constitutional Review* 5/1 (Winter 1996): 57–62.

17. Zdeněk Kessler, Czech supreme court judge, and a former dissident, quoted in Martin Komárek, *GEN – 100 Čechů Dneška* (Prague: Fischer, 1994–1995). My translation (G.E.).
18. Thus, Table 1 defines "dissidents" as those who experienced rapid downward mobility after 1968, or after they signed Charter 77, and could not continue to work in their professions.
19. Vladimír Kusin, *From Dubček to Charter 77: A Study of Normalization in Czechoslovakia 1968–1978.* (Edinburgh: Q Press, 1978).
20. Quoted in Komárek, *GEN.* My translation (G.E.).
21. Jan Urban, "The Politics and Power of Humiliation," in Tim D. Whipple, editor, *After the Velvet Revolution: Václav Havel and the New Leaders of Czechoslovakia Speak Out* (N.Y.: Freedom House, 1991), 267–304. This analysis obviously owes a great deal to Bourdieu's concept of habitus. See Pierre Bourdieu, *Distinction: A Social Critique of the Judgment of Taste* (Cambridge, Mass.: Harvard University Press, 1984). Another element of this habitus, and hence a chapter in the genealogy of dissidence that I am not able to discuss here, is the discourse of "self-criticism." A straight line leads from the problematization of authenticity by communist humanist intellectuals during the 1950s and the 1960s, as they debated the choices they made during Stalinism, and their penchant for moral dissent in later years. See the perceptive account in Marci Shore, "Engineering in the Age of Innocence: A Genealogy of Discourse inside the Czechoslovak Writer's Union, 1949–1967," *EEPS* 12/3 (Fall 1998).
22. Kessler, in Komárek, *GEN.* My translation (G.E.).
23. The person discussed is the writer Ivan Klíma. Komárek, *GEN.* My translation (G.E.).
24. Michel Foucault, "Technologies of the Self," in Luther H. Martin, Huck Gutman, and Patrick H. Hutton, editors, *Technologies of the Self* (London: Tavistock, 1988), 16–49.
25. Michel Foucault, "About the Beginning of the Hermeneutics of the Self," *Political Theory* 21/2 (May 1993): 198–227.
26. Václav Havel, "Politics and Conscience," in Jan Vladislav, editor, *Václav Havel or Living in Truth* (London: Faber and Faber, 1986), 136–157.
27. Václav Havel, "The Power of the Powerless," in Keane, *The Power of the Powerless*, 23–96.
28. Michel Foucault, *The Archaeology of Knowledge* (London: Travistock, 1972).
29. A similar analysis is offered in Petr Fidelius (pseudonym for Petr Pithart), "The Mirror of Communist Discourse," in Marketa Goetz-Stankiewicz, editor, *Goodbye, Samizdat: Twenty Years of Czechoslovak Underground Writing.* (Evanston: Northwestern University Press, 1992), 193–204. For the important role of the phenomenological concept of the "natural world" in dissident discourse, see Zdzislaw Krasnodebski, "Longing for Community – Phenomenological Philosophy of Politics and the Dilemmas of European Culture," *International Sociology* 8/3 (1993): 339–353.
30. Thus, even dissidents who criticize Havel's anti-politics, and suggest a more activist and "political" engagement with the regime, take as their starting point a similar analysis of the false ideological reality created by socialism, and the way it corrupts individuals. See Miroslav Kusy, "Chartism and Real Socialism," in Keane, *The Power of the Powerless*, 152–177.
31. Havel, "The Power of the Powerless," 39–40.
32. Havel, "Power of the Powerless," 57–60. Similarly, the Protestant philosopher

Hejdánek rejected the notion that the dissidents constitute an "opposition," or that they should formulate a politial program to assume power after the fall of Communism. They were apolitical human rights activists, whose role was to challenge the regime's ideological mystifications. Ladislav Hejdánek, "Prospects for Democracy and Socialism in Eastern Europe," in Keane, *The Power of the Powerless*, 141–151.

33. Indeed, other dissidents within the "charter 77" movement, notably Václav Benda, have remained suspicious of Havel's elitist emphasis on "living within the truth," and considered the values of *drobná prace* to be a sufficient basis for resisting the regime. See Benda, "Parallel Polis."
34. Havel, "Power of the Powerless," 34–35.
35. "It is ... becoming evident ... that a single, seemingly powerless person who dares to cry out the word of truth and to stand behind it with all his person and all his life, ready to pay a high price, has ... greater power ... than do thousands of anomymous voters." Havel, "Politics and Conscience," 156.
36. Michel Foucault, "The Subject and Power," in Hubert Dreyfus and Paul Rabinow, *Michel Foucault: Beyond Structuralism and Hermeneutics* (Chicago: Chicago University Press, 1982), 206–228.
37. Jan Potočka, "Wars of the 20th Century and the 20th Century as War," *Telos* 30 (Winter 1976–1977): 116–126. References to Patočka abound in dissident literature. Havel himself refers to Patočka on sacrifice and responsibility in the passage cited above. All the major dissident philosophers – Hejdánek, Bělohradský, Palouš, Kohák – were students of Patočka, and quote him reverently. For a summary of their positions, see Ivan Chvatík, "The Solidarity of the Shaken," *Telos* 94 (1993/1994): 163–166.
38. Patočka, "Wars of the 20th Century," 125.
39. Hejdánek, "Prospects for Democracy," 147. This rejection of "programs" is specifically directed against the role of the teleological intellectual. Pastoral power is no longer a claim to class power, in the sense employed by Konrad and Szelenyi.
40. Ladislav Holý, *The Little Czech and the Great Czech Nation* (Cambridge: Cambridge University Press, 1996), 27–33.
41. The following account is based on Bradley F. Abrams, "Morality, Wisdom and Revision: The Czech Opposition in the 1970's and the Expulsion of the Sudeten Germans," *EEPS* 9/2 (Spring 1995): 234–255. Among the dissident participants were Pithart, Příhoda, Hejdánek, and Erazim Kohák. The reform communist group included official and unofficial historians such as Milan Hubel, Jaroslav Opat, Radomir Luža, Václav Kural, and Jan Kren.
42. The following quote is from historian Ján Mlynárik, whose essay begun the debate: "The transfer with its consequences taught the national not to respect ... the principle of property, a value created over generations. It ... taught [the nation] to steal.... The alienation of property in socialist ownership ... does not have its source and spring in the origin of socialism, but here in the immense stealing and robbing of German property." One can already sense here how anti-politics will be transformed into civic education for capitalism. Communism was a punishment for the original sin of the expulsion. To overcome it, one will need to confess to the guilt of the expulsion. Only such confession can purify the Czechs and reestablish capitalist values such as respect for private property. It also becomes clearer that one of the reasons why the dissidents began gravitating toward such a role, eventually being converted into neo-liberals by the monetarists, was their struggle in the cultural field against the reform communists.
43. Erazim Kohák, quoted in Abrams, "Morality, Wisdom and Revision," 251.

44. Václav Benda, "The Parallel Polis," in Skilling and Wilson, *Civic Freedom*, 35–41.
45. Benda, "Parallel Polis."
46. Michel Foucault, "Governmentality," in Graham Burchell, Colin Gordon, and Peter Miller, editors, *The Foucault Effect* (Chicago: University of Chicago Press, 1991), 87–104.
47. Václav Havel, "Article 202," in John Miller and Kristen Miller, editors, *Chronicles from Prague* (San Francisco: Chronicle Books, 1994), 1–16. Similarly, Benda characterized the methods of the communist regime as consciously haphazard and arbitrary: "... the rule is *that there are no fixed rules:* the uncertainty of persecution increases the feeling of danger and creates suspicion, spite and suspense." Václav Benda, "The Rule of no Fixed Rules," *East European Reporter* 2/2 (1986): 15–17.
48. Pithart, "Social and Economic Developments." This was what Ivan Klíma called "the conspiracy of real materialists." See his *My Merry Mornings* (London: Readers International, 1985).
49. Jiří Dientsbier, "Response to Václav Benda's *The Parallel Polis*," in Skilling and Wilson, *Civic Freedom*, 57–59.
50. In this respect, the dissidents' version of civil society correspond quite closely to the *neo-liberal* rationality of government. See Graham Burchell, "Liberal Government – Old and New," in Barry, Osborne, and Rose, *Foucault and Political Reason*, 19–36.
51. Based on information from Pavel Kosátik, editor, *Kdo je Kdo, 1991/92, Česka Republika*. (Praha: Kdo je Kdo, 1991).
52. Interview with Klaus in Komárek, *GEN*. My translation (G.E.); "Creating a Capitalist Czechoslovakia: An Interview with Václav Klaus," in Whipple, *After the Velvet Revolution*, 149–156. The weak ties between reform communists and internally exiled professionals set the Czech case apart from both the Slovak and Hungarian cases, and go a long way toward explaining the differences in their policies after 1989. Tokes, *Hungary's Negotiated Revolution*; Anna Grzymala-Busse, "Reform Efforts in the Czech and Slovak Communist Parties and their Successors, 1988–1993," *EEPS* 12/3 (Fall 1998).
53. The expression is Salzmann's, in Komárek, *GEN*. My translation (G.E.).
54. Václav Klaus, "Socialist Economies, Economic Reforms and Economists: Reflections of a Czechoslovak Economist," *Communist Economies* 1/1 (1989): 89–96.
55. The most characteristic recommendations are: 1) to control inflation even at the price of unemployment; 2) to conduct a tight-fisted fiscal policy bound by "rule of steady growth in the money stock"; 3) to opt for fixed policy rules over discretionary powers; and 4) to establish flexible exchange rates, and open up to international competition. See Jeffery A. Frieden, "Capital Politics: Creditors and the International Political Economy," in his and David A. Lake, editors, *International Political Economy* (New York: St. Martin's Press, 1991), 296–312; and Gregory N. Mankiw, "A Quick Refresher Course in Macroeconomics," *Journal of Economic Literature* XXVIII (December 1990): 1645–1660.
56. Mitchell Orenstein, "The Political Success of Neo-Liberalism in the Czech Republic," *CERGE-EI Working Paper Series* 68 (June 1994); Peter Rutland, "Thatcherism, Czech Style: Transition to Capitalism in the Czech Republic," *Telos* 94 (Winter 1992–1993): 103–124.
57. The focus on "practical rationality" or *techne* is one of Foucault's major contributions to sociological theory. See "Questions of Method" in Baynes et al., editors, *After Philosophy – End or Transformation?* (MIT Press, 1987), 73–94.
58. Peter Miller and Nikolas Rose, "Governing Economic Life," *Economy and Society* 19/1 (February 1990): 1–31. For all the monetarist emphasis on freedom, their

overwhelming concern is governing. Their question is how to "establish a ... system that is stable and at the same time free from irresponsible government tinkering, and their answer is that "control over money can be a potent tool for controlling and shaping the economy." Milton Friedman, *Capitalism and Freedom.* (Chicago: University of Chicago Press, 1962), 38–39.

59. Foucault, "Governmentality."
60. Burchell, "Liberal Government."
61. Bruno Latour, *Science in Action* (London: Open University Press, 1987).
62. Tomaš Ježek and Otakar Turek, "The Role of the Economic Center," *Czechoslovak Economic Digest* 2/1989: 3–12. Akos Rona-Tas, *The Czech New Wave: The Third Wave of Privatization and the Role of the State in the Czech Republic* (unpublished manuscript, Department of Sociology: UCSD, 1996).
63. Václav Klaus and Dušan Tříska, "The Economic Center: The Restructuring and Equilibrium," *Czechoslovak Economic Digest* 1/1989: 34–56; Niels Thygesen, "Milton Friedman," in Henry W. Spiegel and Warren J. Samuels, editors, *Contemporary Economists in Perspective* (London, JAI Press, 1984), 229, 240–243; Friedman, Capitalism and Freedom, 54, 79; Mankiw, "A Quick Refresher Course," 1650.
64. This was Robert Lucas's analysis. See Mankiw, "A Quick Refresher Course."
65. Jan Svejnar, "Introduction and Overview," in Svejnar, *The Czech Republic*, 7–8.
66. Rutland, "Neo-liberalism"; Burawoy and Krotov, "The Soviet Transition." Moreover, during the early period of transition, bankruptcies are not yet the unerring selector of efficiency they would be once monetarization has been completed. Ježek and Turek, "The Role of Economic Center," 10.
67. Neil Fligstein, *The Transformation of Corporate Control* (Cambridge, Mass.: Harvard University Press, 1990).
68. Thygesen, "Milton Friedman," 227–228; Colin Gordon, "Governmental Rationality: An Introduction," in Burchell et al., *The Foucault Effect*, 1–51. As an example, Gordon mentions Gary Becker's suggestion to treat legal order as "supply of law-abiding behavior," allowing one to calculate "the quantity of crimes which it is worth a society's while to tolerate."
69. "Freedom is a tenable objective only for responsible individuals. We do not believe in freedom for madmen or children. The necessity of drawing a line between responsible individuals and others is inescapable, yet it means that ...[paternalist government] is inescapable for those whom we designate as not responsible." Friedman, *Capitalism and Freedom*, 33.
70. This is true of neo-classical economic theories such as "Rational Expectations" theory. Mankiw, "A Quick Refresher Course," 1649; Rudy van Zijp and Hans Visser, "Mathematical Formalization and the Domain of Economics," in Jack Birner and Rudy van Zijp, editors, *Hayek, Co-ordination and Evolution* (London: Routledge, 1994), 64–93.
71. On the distinction between disciplinary technologies that correct individuals, and actuarial technologies that seek to minimize risk, see Robert Castel, "From Dangerousness to Risk," in Burchell et al., *The Foucault Effect*, 281–298; Jonathan Simon, "The Emergence of a Risk Society: Insurance, Law and the State," *Socialist Review* 95 (1987), 61–89; and "The Ideological Effects of Actuarial Practices," *Law and Society Review* 22 (1988), 722–800.
72. Thus, I do not follow the arguments of Castel or Simon that neo-liberalism signifies a transition from disciplinary society to a risk-based one. Instead, I suggest we think of it as a political rationality that combines disciplinary, actuarial, and

pastoral techniques. For a similar position, see Pat O'Malley, "Risk and Responsibility," in Barry et al., *Foucault and Political Reason*, 189–207.

73. Klaus and Třiska, "The Economic Center," 41.
74. Václav Klaus, quoted in Holý, *The Little Czech*.
75. Or even *civility*: "Anyone who has been in the west can testify that willingness, regard for others, and respect for their needs are quite common there. This is not in spite of but because of the fact that the market has reigned there for more than two hundred years and its 'invisible hand' has educated citizens in this way...." Holý, *The Little Czech*.
76. "An economy with an irrational price structure behaves irrationally, and no one can really be sure of what will help or harm it the most." Klaus, "Creating a Capitalist Czechoslovakia."
77. Pithart, "Social and Economic Developments."
78. Ježek and Turek, "The Role of the Economic Center," 11; Radek Laštovička, Anton Marcinčin, and Michal Mejstřik, "Corporate Governance and Share Prices in Voucher Privatized Companies," in Svejnar, *The Czech Republic*, 199–209.
79. Ježek and Turek, "The Role of the Economic Center," 5.
80. This is because there was no strong reform faction to organize the negotiations, which were arranged by two of Havel's personal friends. Accordingly, and unlike Hungary and Poland, the opposition delegation was composed almost only of dissidents. Klaus, however, was already present in the first two meetings. See the papers by Calda, Osiatynski, and Sajo in Jon Elster, editor, *The Roundtable Talks and the Breakdown of Communism* (Chicago: University of Chicago Press, 1996), 21–98, 135–177.
81. "It is because his specific capital is a pure *fiduciary value* which depends on representation, opinion, beliefs, *fides*, that the man of politics [sic], like the man of honor, is especially vulnerable to suspicions, malicious misrepresentations and scandal, in short, to everything that threatens belief and trust, by bringing to light the hidden and secret acts and remarks of the present or the past." Pierre Bourdieu, "Political Representation: Elements for a Theory of the Political Field," in his *Language and Symbolic Power* (Cambridge, Mass.: Harvard University Press, 1991), 191–192.
82. Eyal, *The Breakup of Czechoslovakia*. Valtr Komárek, the Czech reform Communist, considered by the Slovaks "a cornerstone of their long-term perspective," only joined the roundtable negotiations during the eighth and ninth rounds, under Slovak pressure and against the wishes of the dissidents. Elster, *The Roundtable Talks*, 147, 155, 173.
83. Kennedy, "The Intelligentsia in the Constitution of Civil Societies"; Alvin Gouldner, *The Future of Intellectuals and the Rise of the New Class* (N.Y.: The Seabury Press, 1979).