

BOOK REVIEWS

Review 1

Title: 'The Capitalist Personality. Face-to-Face Sociality and Economic Change in the Post-Communist World'. By Christopher S. Swader. London, Routledge, 2013, 238 p. ISBN 978-0-415-89221-6

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More than twenty years have now passed since the 'velvet revolutions' of 1989, which saw the collapse of communism and the 'dual transition' to democratic politics and the market economy. Though it is easy to forget now, at the time many believed this would usher in too a third transition – not simply economic or political, but rather, social: with the formerly oppressed peoples of the Eastern bloc rising up to form new civil societies, associations, and a public sphere to complement their newfound civic freedoms and market opportunities. Such was not only the optimistic projection of donors such as the *Soros Foundation* or *USAID*, but also a mainstream projection among academic commentators. Somewhat rarer were forewarnings such as those of Robert Putnam, who two decades ago gravely remarked that in the former Soviet Union 'the Hobbesian outcome of the Mezzogiorno – amoral familism, clientelism, lawlessness, ineffective government, and economic stagnation – seem likelier than successful democratization' and that 'Palermo may represent the future of Moscow'³³.

The Capitalist Personality, by Moscow-based American sociologist Christopher Swader, documents just how far reality has betrayed initial expectations of civic and social renewal. Through interviews and survey data, Swader documents the myriad ways in which the incentives of market transition led to dysfunctional outcomes in everyday life: the father who when asked about how to instil moral values in his children replies that 'it will be better to think only of myself' or the wife who continues to badger her former husband in order to gain access to his friends, whose antiques and artworks she wants to purchase and resell at profit. The advocates of market reform had believed that in place of vertical hierarchies based on obedience, the market would lead rational individuals into a positive-sum equilibrium of cooperation and trust. So what went wrong? Swader's answer is that the market teaches only instrumental rationality, and hence ties based on mutual gain: family, community and the state are considered only secondarily by the new *homo economicus*. One of his Shanghai respondents approvingly

33 *Making Democracy Work*, p. 183.

quotes Hong Kong businessman Li-Ka Shing: 'Money means only a number for me now [and] the number is indicative of the correctness of one's decisions'.

The subject matter of *The Capitalist Personality* is clearly localised to a particular context – post-communist societies – and a particular time – the first two decades of market transition – yet this book merits interest to all those with an interest in social institutions, and indeed in sociology more generally. For it centres in upon what may be one of the greatest natural experiments ever conducted in social relations: the sudden transition to a market economy among the formerly planned economies of Eastern Europe and China. In an accelerated fashion, therefore, it provides a microcosm of the way in which new market opportunities led to new conceptions of time-use, relationship management, and social opportunities, that informed much of classical sociology - and indeed the broader transition from 'traditional' to 'modern' society that was the locus of modernisation studies in the developing world, such as Lerner's *Passing of Traditional Society* or Inkeles' *Becoming Modern*.

Of particular merit in documenting this transition is Swader's combination of extensive interview material with the analysis of quantitative trends from the *World Values Surveys*. Such empirical triangulation shares commonalities with another important study of post-transition civic life, Marc Howard's *Weakness of Civil Society in Post-Communist Europe*, and the two could easily be read side by side. Whereas Howard had focused upon civil society and associational life, Swader examines personal morality and social ties, yet both texts make use of qualitative and survey materials to document the failure of civic renewal in the post-communist sphere. Examining data on intergenerational value trends allows Swader to document how the individualism of the post-communist world is not simply 'post-materialism' of the western European variety, but a distinctly anomic ethos which combines laissez-faire in social matters with a similar nonchalance regarding corruption, criminality, and a ruthless mercantilism in social relations. In his own words, 'younger, richer people in modern occupations in China, Russia, and Eastern Germany tend to be more individualistic, ambitious, work-oriented, focused on wealth, less family oriented, less political, and even less moral'. This in itself is a striking finding and deserves to contribute to an ongoing debate regarding the positives and negatives of individualisation.

Yet how far is this new individualism a consequence of market reform, and how far is it a consequence of other forces? This remains one of *The Capitalist Personality's* unresolved questions. The book's title is a deliberate counterpoint to Adorno's *Authoritarian Personality*, and in this way serves to underscore its central thesis – namely, that the amoral familism of the post-communist era is not due to the legacy of totalitarian rule but a consequence of the economic transition itself. Swader asserts that the main explanation for the moral nihilism of the post-communist world is the ethic of the market, which prioritises goal-rationality and individualism in all spheres of life, and its extension to previously excluded domains. Yet it would be interesting to know whether the transition he observes is not after all simply a longer-term impact of bureaucratic authoritarianism. The three sites in question - Eastern Germany, Moscow and Shanghai - are all cultures in which authoritarian institutions predate the advent of communism, and in which presumably, little 'social capital' existed even in the pre-communist past. We do not know whether the same results obtain in Slovenia, or Poland, or Estonia; countries in

which, perhaps, some vestiges of a democratic and solidaristic culture had survived, and in which the rebirth of democracy was most widely anticipated to deliver full-scale civic renewal.

Yet even were this so, it would further underline one of the book's key conclusions: for what *The Capitalist Personality* points to is that successful western market economies are not simply this, but are also nation-states, democracies, and assemblages of local communities, all of which provide important counter-points to the individualising effects of the market - and make possible the provision of the very public goods, rule of law, and civic culture upon which a vibrant capitalism has always depended. In this respect, the themes of Swader's work are very current, not just in the post-communist world, but also in the west, which in a lesser way has been subject to similar marketisation forces in what is termed the 'neoliberal' age. One is tempted to recall the phrase, attributed to Lionel Jospin, though more recently popularised by Michael Sandel, that 'we have drifted from having a market economy to becoming a market society'. As Weber long ago observed, and institutional economists now only belatedly recognise, the success of capitalist institutions requires individuals who are motivated by something other than the 'capitalist personality,' and are driven by other goals than the *homo economicus* of classical economic thought.