The major theme of the volume is that hostile political and social forces are to blame for the slow pace of privatization of state enterprises and financial institutions, the imbalance of power of trade unions relative to management, and the “rampant” and “unsustainable” welfarism. Winiecki attributes this to the unique nature of Poland’s transition led by the Solidarity movement which he describes as “utopian Christian-socialist cum syndicalist in nature.” He argues that the electoral success of the Alliance of the Democratic Left (SLD) and Polish Peasant Party (PSL), successor parties of the pre-1989 regime, has resulted in a political spectrum that is “strongly anti-capitalist at both ends.” (p. 7) Kamiński and Stefanowicz agree with this assessment, but view the “former apparatchiks” in the SLD and PSL as motivated by opportunism and careerism rather than by ideology or concern about “universal values.” (p. 20) The same authors criticize the Roman Catholic Church in Poland, for pushing its conception of moral values on abortion and divorce into the national debate and thereby diverting attention from more important economic transformation issues. Szymanderski and Winiecki conclude that there is an “unholy alliance” of political and social forces: “In the end, not only parties of the communist ancien régime and the utopian left wing of ‘Solidarity’ but also of the nationalist and fundamentalist-Catholic Right turned out to be hostile to privatization.” (p. 93)

This type of negative political labelling with little supporting evidence does not further understanding of the complex process of post-1989 developments in Poland. A comparison to other postcommunist systems would have also provided some perspective on Poland’s alleged uniqueness concerning problems of privatization and welfarism. Citizens’ opposition to economic restructuring which could result in unemployment and loss of social benefits, moreover, is not unique to postcommunist systems.

Similar problems are evident in the discussion of constitutional barriers to capitalism. Winiecki laments that after eight years of deliberation, the new Polish constitution does not enshrine fundamental tenets of the capitalist market such as private property rights. He is also critical of the inclusion in the constitution of the “principles of social justice” which he erroneously describes as “a typical communist slogan.” (p. 3) Kamiński and Stefanowicz are also critical of the long process of developing a new Polish constitution involving too many interests, too many political parties and citizens’ groups. This suggests that a less democratic process would have yielded a better outcome. Comparisons to other countries, including Canada’s ongoing constitutional debates, as well as an examination of the European Social Charter would have provided a more balanced and less negative perspective of the Polish constitution. For its price, one would expect more in-depth analysis of the institutional barriers to Poland’s economic development.

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Two useful new works delve into the successes and failures of the early post-communist reform period (approximately 1989-95) in Central Europe, and in Hungary in particular. The first, by Herman Hoen, is an eclectic work addressing the challenges presented by transition for standard economic theory. The second, edited by Halpern and Wyplosz, comprises a set of more purely economic and empirical studies of the Hungarian economy.
Hoen's *Transformation of Economic Systems in Central Europe* can be read profitably by either laypersons or specialists. On the one hand, the work presents good concise outlines of the pre- and post-reform economic policies and performance in the four Visegrad countries (Hungary, Poland, the Czech Republic, and Slovakia); on the other hand, much of the discussion addresses fairly abstract issues of political economy that may be more appropriate for specialists in that field.

Hoen focuses on three key issues: (1) How do we properly assess the speed of transformation? That is, what exactly constitutes "gradual" versus "shock-therapy" reform? (2) What are the virtues and/or failures of major economic schools of thought regarding their ability to explain the direction that reform has taken or should have taken in economics in transition? (3) To what degree do history, institutions, and interest-group politics matter for explaining variations in the reform paths chosen and the successes achieved in Central Europe? While Hoen does not provide definitive answers to these questions, he succeeds in raising some provocative issues. For example, he suggests strong doubts about the abilities of standard neo-classical models to predict and assess the sorts of major institutional changes required during the transition process, and to deal with the irreversibility of past history and its institutional legacy. He seems more inclined to rely on post-Keynesian and Austrian economics in assessing certain aspects of the reform experience. Thus, he sees corporatist wage control policies in the Czech Republic as far from *laissez faire*, but as a sensible means of containing inflation via limits on the spending power of the population. Similarly, he speculates broadly on the sources of potentially differing degrees of entrepreneurialism in the countries under study, asking whether this was determined by past history, by more recent regulation, by the desire for entry into the European Union, or by other factors.

*Transformation* contains three core chapters addressing the early reform experience of each of the Visegrad countries. Here, Hoen asks whether the Hungarian experience was really so gradual as commonly described. He also notes that – despite much liberal rhetoric in the former Czechoslovakia and despite the well-known macroeconomic shock adopted in Poland – each of these nations deviated substantially from policies that would have been dictated by the pure logic of neo-classical models. Moreover, given the generally rapid turnarounds experienced in all four nations considered here, Hoen questions whether (and how) different policies can be shown to have produced drastically different results, or whether policy differences were all sensible adaptations to differing initial conditions and historical legacies. In addition to the country studies, the book contains chapters that investigate the role of theory for understanding transformation in general and that explore the role of various interest groups in generating the policies pursued by national authorities. The author also performs a detailed "decomposition analysis" of changes in national trade patterns and export performance, and concludes convincingly that growing exports to the European Union have been at least partially due to improved policy environments.

Hoen makes a particular point to claim that Hungary experienced significant degrees of "shock therapy" – especially in terms of microeconomic restructuring and the early promulgation of serious bankruptcy laws. This is a theme that is developed as well in Halpern and Wyplosz's *Hungary: Towards a Market Economy*. Indeed, the editors of this volume refer with great optimism to the Hungarian experience, citing a "hidden Hungarian miracle" in that nation's ability to carry out difficult institutional change, even while macroeconomic performance seemed to be relatively weak in the early 1990s.

The Halpern and Wyplosz book contains ten conference papers (by Hungarian authors) initially written in 1995 and also detailed discussant comments for most papers. Although the final product on the Hungarian economy was three years in coming to print, the resulting volume was surely worth the wait, as the papers and comments are mostly of very high