The book under review joins an increasing number of publications aiming to take stock of the first decade of reforms in Russia and other transition economies. The authors of this book set for themselves an ambitious goal: to size up economic and political changes in Russia simultaneously across time, space and specific areas of economic and political life.

The book is a result of a workshop, which took place in May 1999 at the Federal Institute for Russian, East European, and International Studies in Cologne. It is an international effort, with the majority of authors (11) coming from Europe, two from the US and three from Russia. The period under consideration in most of the chapters is 1991-1999, starting with the break-up of the Soviet Union and culminating with the aftermath of the fall 1998 financial crisis in Russia. The three areas of particular interest to the book’s authors, according to its editors, are: (1) impact of transition on policy-making institutions; (2) reaction to the transition on the part of the specific social and economic groups; (3) the reasons behind the less than satisfactory outcomes of transition (pp. 4-5).

The part of the book dealing with institutional setting include two chapters on federalism and regional politics – by Richard Sakwa and Vladimir Gel’man, a brief but informative chapter on constitution and legal infrastructure by Alexander Trunk, and a chapter on fiscal policy by Gerald Easter.

Sakwa’s chapter presents a survey of center-periphery and inter-regional relations in Russia built around a triangular model of “Asymmetrical Federalism” (p. 20). In the framework of this model, to find accommodation with increasingly ambitious national republics on the one hand, and “ordinary” regions, on the other, the federal center has to constantly engage in multilevel bargaining process. One has to agree with the key point of this chapter that “the inability to establish genuine reciprocal and transparent relations between center and localities” is one of the main failings of El’tsin administration (p. 16).

A chapter by Gel’man extends the study of federalism into the political arena of individual regions. Using the tools of relatively new (for Russian studies) cross-regional political analysis, he builds a typology of Russian regions, based on the scenario approach to political transitions. Specifically, he distinguishes three main types of scenarios: “winner takes all,” “struggle according to rules,” and “elite settlement.” The resulting outcomes are, correspondingly, “authoritarian situation” (examples – Moscow city, Kalmykia, Saratov oblast’); “democratic situation” (Udmurtia, Sverdlovsk oblast’); and “hybrid regime” (Nizhnii Novgorod, Omsk and Tomsk oblast’s) (p. 242). The recurring, and in our view, valid theme of this chapter is the fragility and

uncertainty of a democratic outcome of regional political settlements. In Russia, as stated by the author, “democracy is not emerging ‘by default,’ or even ‘by design’” (p. 244).

The chapter on fiscal policy by Gerald Easter stresses the importance of the strong well-funded federal government for the success of the market transition. By now this thesis, which was a minority view at the start of reforms, is well developed in the literature and has acquired a consensus status. The chapter’s novelty is in placing the discussion of the fiscal policy in Russia in the 1990s in the context of “patrimonial” infrastructure of the Russian bureaucratic system. The domination of this system by personal relations, rather than rules leads to the practice of taxation-by-negotiation, or, in the words of the author, “elite bargaining” over taxes (p. 307).

Having set the institutional stage of the Russian economic and political space, the authors of the book turn to specific areas and specific actors. Six chapters in this part of the book address situation in individual spheres of the economy, one chapter analyzes the role of Russian oligarchs, and still another one discusses differences in economic performance across Russian regions.

All contributions in this part of the book provide useful information, but the analytical quality is uneven. We learn here the history of the managers-led privatization in the oil and gas industry (Valery Kryukov); the sad story of the decline of the coal industry and the plight of the coal-miners unions (Heiko Pleines); and an interesting and in many ways educational experience of the atomic industry (Julian Cooper). In the last of these chapters, based on the relative success of atomic industry compared to its privatized peers the author develops a provocative idea of the possible benevolent role of “bureaucratic capital” (pp. 159-60).

A chapter on banking (William Tompson) presents a familiar list of weaknesses of the Russian financial system: low capitalization, inadequate expertise, speculative nature of operations, lack of transparency, high degree of dependence upon the state, and so on. One cannot but agree with the author’s characterization of the today’s Russian banking system as “corrupt, inefficient and quasi-nationalized” (p. 93).

The dilemmas of the Russian small business, which is still waiting to become a much hoped for engine of growth for Russia, are discussed in chapters by Tat’yana Dolgopyatova and Patrick Taylor. The former focus on the institutional constraints facing small business entrepreneurs. It provides an elaborate classification of horizontal and vertical networks created by entrepreneurs to survive in a generally hostile environment. This chapter is to a degree complemented by a short case study on small businesses in Novgorod the Great. Written by Patrick Taylor from a practitioner’s

2. At a recent discussion of the political results of reforms, this writer suggested that the present relative strengths of the executive, legislative and judicial branches of power across Russia can be approximated as: 100:30:10. Another participant to the discussion, former prime minister of Russia, Yegor Gaidar, agreed, upgrading relative weight of legislative from 10 to 15. (“Russia Ten Years Later: Taking Stock,” The Havighurst Symposium in Economics, Miami University, April 2002.)