

Professor Brown and the other distinguished contributors to this volume have significantly advanced our understanding of the role that ideas and open debate played in the rapid progression of political change in the USSR and the Russian Federation in the 1980s and 1990s. Concise and well written, this volume will serve as a very useful addition to reading lists in courses dealing with this period of Russian political history.

Robert H. Donaldson, University of Tulsa

Gros, Daniel and Alfred Steinherr. *Economic Transition in Central and Eastern Europe: Planting the Seeds*. Cambridge: Cambridge University Press, 2004. xii + 362 pp. \$100.00. ISBN 0-521-82638-1.

If this book were available in paperback, I would seriously consider adopting it for my undergraduate senior seminar on transition economies. If only available in hardback, given the relatively dated sources—only three from 2002, most others before 2000—and the disproportionate share of the analysis focusing on international trade and finance issues, the book is overpriced for the undergraduate student market. It is, however, quite handy to have as a source of information to supplement lectures on transition economies. For example, chapter 9 examines the costs and benefits of transition economies joining the European Union. Chapter 6 provides a detailed discussion of German unification. Throughout the book, “boxes” provide appropriate analyses of select topics: constructing a gravity index, estimating a gravity model, the loss of tariff revenues from free trade, the neoclassical growth model, the optimum size of a club, Russia’s loans-for-shares program, monetary overhang, and multiple equilibria in corruption are a few of the ones I found most helpful. Appendices at the end of chapters are also quite useful in highlighting particular technical points (information and methodologies) that complement material presented in the text.

The book has many strengths. It is clearly and concisely written, and much of it could be easily understood without any formal training of economics. This is quite remarkable, considering the nature of some of the topics covered in the text. Few important topics receive short shrift. The graphics (figures) are excellent and both the graphics (figures) and tables are quite effective in illustrating points made in the text. The Introduction does an excellent job of motivating and summarizing the subsequent chapters. I would certainly recommend the book to anyone who would like to learn about the transition process in Central and Eastern Europe. When I look back through the book, I find much in the way of highlighted text and notes in the margins, two signs that, for me, the text has included interesting points and potential for animated discussion.

My guess is that the book will not be satisfying to specialists on the Soviet or Russian economy. It is here where the sources and topics covered are most inadequate. However, since the book is intended to be a more general analysis of transition, this is not considered a serious drawback—just a notice to potential readers.

Susan J. Linz, Michigan State University

Papava, Vladimer. *Necroeconomics: The Political Economy of Post-Communist Capitalism: Lessons from Georgia*. New York: iUniverse, Inc., 2005. ix + 201 pp. \$18.95. ISBN 0-595-34915-3.

This book is wide ranging, dealing with manifold issues of transition in post-Communist societies, from taxation and political reform to the role of international financial organizations and privatization policies. Papava is one of the best-informed Georgian economists and himself a former minister of economics in the Georgian government. This gives him the ability to discuss the practical

problems associated with the implementation of Western-generated general economic theories in post-Communist countries.

Professor Papava is a supporter of the International Monetary Fund (IMF) and its goals, but his experience in Georgia leads him to some significant criticisms. He disapproves of a number of components of IMF macroeconomic stabilization models such as the taxation and bankruptcy laws—which do not take into account either the institutional peculiarities of what he calls post-Communist capitalism or the national peculiarities of different transitional states. In this context, he develops his theory of necroeconomics. Without considering the peculiarities of the necroeconomy, standard taxation models, for example, are doomed to failure.

The necroeconomy (the dead economy), as opposed to what he calls the vitaeconomy (the vital economy), is a cultural and institutional characteristic of the post-Communist capitalist state. The remnants of the command economy along with the attachment to “routine” among post-Communist capitalists, promotes a system of dependence on the state, indebtedness of industrial firms, and corruption. Some new entrepreneurs are emerging in the private sector, but the vast majority of businessmen share the psychology of what Papava calls *homo transformativus*. *Homo transformativus* (in contrast to *homo sovieticus*) is characterized by a mix of emerging entrepreneurial instincts (the good part) and attitudes left over from the command economy. The latter leads to a predilection for the shadow economy, a cozy relationship with the state, and avoidance of initiative and taxes.

A virtue of this book is that the author, after describing the problem, proposes a solution. Regarding corruption, for example, he reminds us the causes are economic; fighting the manifestations of corruption will yield no results. The solution depends first of all on the legalization of primary capital accumulation, the determined pursuit of macroeconomic stability, and legal protection of private property. He warns against the creation of anticorruption bodies with special powers. His own experience suggests such bodies in weak states such as Georgia threaten legal business, encourage capital flight abroad, and become agencies of corruption themselves.

The final chapters deal with Georgia and illustrate many of the problems he deals with earlier at a more general level. Following a description of the reforms introduced since 1989, he explores the Georgian government’s relationship with the IMF. Highly critical of the IMF’s stereotypical approach to Georgia, he maintains, nevertheless, that Georgia must retain the IMF as a strategic partner. The present government, for example, is increasingly marginalizing the IMF’s role in economic policymaking. In his final chapter assessing the impact of the Rose Revolution, his praise of its dynamism is mixed with warnings of revolutionary ambitions, ambitions he fears may lead to new forms of corruption and illegality.

This book is an excellent discussion of the multiple problems associated with post-Communist development, and specifically with the Georgian experience. It is a compilation of articles published in various journals and not all the chapters make a coherent whole (chapters 6 and 7, for example, are technical and for economists only). The text is detailed and not always clear; the discussion in chapter 4 of “the institutional analytical framework of economic transformation” is confusing, with multiple acronyms that the reader will quickly lose track of. The book, in the fast-developing world of Georgian politics, might be seen as a bit dated. The new government, in power since 2003, has accelerated the attack on necroeconomics, for example. However, despite these criticisms, this is an important book, innovative, critical, and concrete in its recommendations. It is a worthwhile read for all studying post-Communist transitions.

Stephen Jones, Mount Holyoke College