

distributional limits, which are again twofold – the institutional problems of the organisation of consensus-building and the material problem consisting in raising and distributing EU finances. The fact that eastern enlargement will include relatively poor and small new members goes beyond the financial capacities of the EU. The Convent, launched in 2001 as a forum for solving inner obstacles to further integration and enlargement, is in fact dominated by the political representatives of individual states, and thus offers political room for defending national interests rather than overcoming them.

Eastern enlargement also unleashes the problem of legitimacy, which includes two arguments: pacification (no wars) and prosperity (positive sum game). Both arguments are weak, argues Vobruba – the pacification argument is too inclusive (it holds true for everybody) while the prosperity argument is not inclusive enough (costs and gains are unequally distributed across time as well as between different social groups). The integration of Europe is actually a project of the elites. However much people agree with further integration in general terms, with regard to their living circumstances, scepticism prevails. The result is thus an entanglement of interests.

In such a constellation the risk arises that attitudes towards eastern enlargement in both the member and candidate states will lead to diverging and mutually incompatible elite strategies. As long as the candidates are willing to join, there is not enough inclusion capacity in the West; and as soon as the necessary inclusion capacity arrives, the willingness to join vanishes. This is the scenario of the greatest possible misfortune, which will probably not come true. However, the lengthy process of enlargement tends to jeopardise the possibilities of an encompassing deepening of the integration.

Georg Vobruba's oeuvre is very condensed and thus often not easy to read. He does not work with simple numbers and shop-floor arguments, but considers problems on a higher level and in their complexity. He does not introduce concrete political recipes either. As a true researcher, he mostly works with stylised facts and reflects on possible scenarios. Only one thing is

certain: actual economic integration should also be politically framed. The question remains open as to whether the EU of tomorrow will be the Europe of today, and whether its institutions and habits are strong enough to include the communist legacy of the East.

Jiří Večerník

Mitchell A. Orenstein: *Out of the Red. Building Capitalism and Democracy in the Postcommunist Europe*

Ann Arbor, The University of Michigan Press 2001, 166 p.

The transition economies of Central and Eastern Europe seem for many to represent great political and economical laboratories for studying exceptional social development and for testing different theoretical models of transformation from the state-owned economy to the capitalist one, and from the near-totalitarian state to democratic society. For this reason literature on the post-communist transition is not too rare, although it is usually only concerned with clarifying the different theoretical models of economic and policy development, and on evaluating radical strategies of market reform. Unfortunately, the applicability of such theories, models, and advice to Central European reality is obviously poor; at best these are good-will-without-knowledge tips. Orenstein's *Out of the Red* seems to be another case. The author has deeply immersed himself in the history of the transformation and the struggle to build capitalism and democracy in two post-communist countries, Poland and the Czech Republic, and has made some general assertions about the relationship between capitalism and democracy in the present world.

Orenstein starts with an evaluative description of the different (by the West) recommended strategies of post-communist transformation, mainly neo-classical (which he calls 'neo-liberal', see below) and social-democratic. He chronicles the central conflict between those who feared that democracy would pose obstacles to radical economic reform – belonging to the former view – and those who feared that rapid eco-

economic reform would pose dangers to democracy – usually of the second, mentioned view. But in fact he pregnantly describes the degree to which the authors of both perspectives have feared the eventual 'bolshevik backlash' as a result of reform uncertainty and 'transition costs', and concludes that such pessimistic predictions were completely wrong, mainly given the public will for a 'return to Europe'. There are three other main chapters in Orenstein's book: the first is dedicated to a deep description of Poland's radical neo-classical strategy of economic reform from the end of the 1980s, its quick fall in the early 1990s, and the development of its alternatives, oriented more towards social cohesion, and at the same time its inheritors (p. 25-60). Another large chapter is dedicated to the Czech way of transformation, which Orenstein calls 'social liberalism' (p. 7), as it held many social-democratic elements beyond the shell of radical neo-classical and pro-market rhetoric. Unlike Poland, Czech economic reformers, and especially Václav Klaus, persisted in power for the long uninterrupted period of 1989-1997. But in the end the Klaus government also fell owing to a string of bank failures, and a concurrent series of scandals over the Civic Democratic Party's finances (p. 61-95). A deep analysis of the different privatisation policies for state-owned property and their difficulties, especially in the case of mass (voucher) privatisation which today is viewed by the majority as having been a great mistake, forms the most important part of Orenstein's book (p. 96-127). In these pages the author elucidates his theory that no economic orthodoxy *per se* is adequate for wide transformation development, but the process of policy learning made by their democratic alternation corrects their particular errors and mistakes. In his own words, "by contrasting the positive outcomes of policy change in Poland with the relatively poor results of policy stability in the Czech Republic, this study suggests that democratic policy alternation has been surprisingly effective at facilitating transition process ... policy change and alternation between distinct policy portfolios proved to foster the process of economic reform" (p. 129).

Due to the unexpected victory of Solidarity in the summer 1989 elections, the deep crisis in the Polish economy in the late 1980s, and the election of L. Balcerowicz – described as a technocrat in Dominguez's typology of policy and economy leaders – as the finance minister, Orenstein argues that Poland adopted the 'shock therapy' of economic reform, which ought to have been faster than the eventual backlash. But almost at the same time the popularity of Solidarity had fallen, which was unsuccessfully solved by trying to establish the authoritarian government of President Walesa, and which led to instability on the Polish political scene, the fragmentation of the Solidarity camp, the exclusion of radical neo-classicism, a shift from technocratic to social pact strategies, a slow-down of privatisation, and the adoption of other, different methods for it. When the regrouped right won the elections in 1997, Balcerowicz was no longer a technocrat but a technopol (in Dominguez's sense, another type of politician alongside the technocrat: technopols are individuals with technocratic training who are not afraid of the political game but instead realise normal political engagement and pragmatism to be the best methods for creating a stable basis for long-term structural change and personal power), and began to implement a new set of reforms, which were no longer 'shocking' but rather pragmatic, though not completely de-ideologised or opportunistic. Due to frequent alternations of policy, between 'radicals' and 'gradualists', and the call for necessary compromises, Orenstein argues, that Poland was able to achieve a high level of economic performance. On the other hand, the Czech economic performance was much worse from 1993, primarily owing to many reform mistakes, which were inevitable in occurring but which could not be corrected due to the fact that Klaus remained in power for eight long years. The Czech financial minister and later prime minister was, unlike Balcerowicz, a technopol from the outset, which can be clearly seen (though at times is not seen even now in the Czech Republic) in the difference between his speeches and his actions. "[He] was a committed neoliberal who often spoke of

creating a 'market without adjectives'," writes Orenstein, "however ... accept a social liberal compromise" (p. 62). The pragmatic mixture of some radical reforms inspired by neo-classical economics, mainly the mass privatisation, with the unconfessed extensive social-democratic compensation measures concealed in liberal rhetoric won for Klaus long-term domestic popularity and temporary international fame as a hero of liberal market capitalism. Unfortunately, this situation, which was ultimately changed by Tošovský's caretaker government and the partial turn to the left after the 1998 elections, prolonged the errors of the Czech economic reform, mainly the absence of its legal framework, allowing mass corruption and tunneling which almost destroyed the state budget and threatened the health of the economy. Orenstein argues that it was the persistence of a single group of reformers, not some surplus of social-cohesive practices in Klaus' reform as some neo-classical economists believe, that was responsible for the errors and general weakness of Czech economic growth in the 1990s (p. 94-95). Another important finding, almost unknown in the West and radically denied in the Czech Republic, is that Czech reform was full of appeals to historic traditions and high levels of a certain kind of economic nationalism (p. 76nn.). It seems a pity that Orenstein, and of course the large majority of other political scientists and economists, is not too interested in the closely related subjects of social and economical anthropology. In this particular case many important findings about the 'historicism' of Czech culture and the embeddedness of social behaviour, including economic behaviour, were made even before Orenstein by the British anthropologist of Czech origin Ladislav Holý in his famous study *The Little Czech and the Great Czech Nation* (1996).

This is not the only reproof to Orenstein's study. In addition to his really good analysis of Polish and Czech political and economic transformations in the 1990s and deep knowledge of many social processes, which should be highly appreciated, there are some mistakes in his book, beginning with the incorrect transcription of some local names and terms, and continuing

to certain historical errors. For example, Gustav Husák, the Czech president of the so-called 'normalisation era', was not installed in office in 1968 (p. 66) but in 1975 (from April 1969 he was the First Secretary of the Czechoslovak Communist Party), the Czech Agrarian politician and a minister in the First Republic, Antonín Švehla, was not named Martin and did not publish any autobiography (p. 147), and so on. Orenstein's description of the leftist wing of the former Civic Forum as 'social democrats' also seems confusing given the parallel existence of the Czech Social Democratic Party (re-founded in 1990, though until the middle of the 1990s politically unimportant), which ultimately won the elections in 1998. But I am sure that these rather marginal errors do not reduce the analytic value of the study; two other areas however are more serious.

Orenstein's analysis is deeply concerned with policy and the description of economic development, but leaves behind the social and cultural level in a broad sense, including values and ethical standards, which affect all kinds of behaviour in every other institutional sphere. In other words, one could (and should) ask, for example, whether it was not primarily the public moral disappointment of Balcerowicz's former reform policy in Poland, in the sense of its significant difference from the pre-election rhetoric, that resulted in the fall of public support for radical reform, contrary to Orenstein's description of the situation as a result of wide public economic disappointment and Balcerowicz's lack of political impact (p. 42-43)? Similarly, in the Czech case, although most research would agree with the description that it was just pragmatic policy goals that led to Czechoslovakia's split into two countries, did the background of public opinions about the 'velvet divorce' lie only in such a selfish (= nationalistic) pragmatism, as the author emphasises (p. 84-85)? It seems to me that these and some other important questions could not be solved in a narrow economic and political framework and must be asked in a broader historical, social, and cultural context, with special emphasis on trans-subjective values and symbolic universes.

The second problem, though not entirely separate, rests in Orenstein's (ab)use of the term 'neo-liberalism'. He occasionally uses it as a description of Klaus' policy, which was in fact 'social liberal', and primarily for Balcerowicz's neo-classical policy, which eventually led to *ipso facto* anti-liberal authoritarian temptations (to be correct, Orenstein knows about the differences and describes such policies as *neo-liberal* in opposition to classic liberal thought (cf. p. 13). Unfortunately, through such a description the analyst prolongs, mainly in the Czech political context, Klaus' own rhetoric and self-designation as the only liberal and pro-market politician, which led to deep public dissatisfaction with so-called liberalism, associated for many with a high level of corruption, economic fraud, and unhealthy social nets among the in-groups in the Czech economy and policy. This rhetorically embedded the widespread social discredit of liberalism, which may also include democratic policy and which will take quite some time to address; a modest example of the misunderstanding of the term is an interview with the youngest Czech MP (for the unreformed Czech Communist Party) after the last elections, who said her political model is Margaret Thatcher! I would prefer to describe Klaus' policy as a mixture of neo-classical and social democratic acts with only rhetorically liberal frames. L. Balcerowicz's radical reform in Poland and its social consequences, although quite different, would seem to be similar.

Nevertheless, to conclude, this book provides the essential analysis of recent economic and political development in two post-communist countries, affords the backgrounds necessary for understanding the present-day problems of the region, and also tries to solve some more general problems of co-existence and mutual relationship between policy and the economy, and their particular ideological universes, in the democratic Western societies. Alongside its importance as a good source of information about this field of research, it may also serve anyone interested in the relationship between capitalism and democracy in the contemporary world.

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Toshio Yamagishi: The Structure of Trust. An Evolutionary Game of Mind and Society. Hokkaido behavioral science report, No. SP-13
Sapporo, Japan, Hokkaido University 2002, 157 p. (translation of Toshio Yamagishi: *Shinraino Kozo: Kokoroto Shakaino Shinka Gemu*. Tokyo: Tokyo University Press 1998. Translated by Feixue Wang)

This book is written around the central message that collectivist society produces security but destroys trust (p. 9, 140). The Japanese social psychologist Toshio Yamagishi challenges the widely shared understanding that an environment of a lasting and stable community is the most favourable environment for fostering trust. He distinguishes between the assurance of security among compatriots on the one hand, and the trust in the human nature of other people, a trust that goes beyond one's own group, on the other (p. 10). In contrast to past research on trust, which has emphasised the relation fortification aspect of trust, Yamagishi directs the reader's attention to its relation extension aspect: trust emancipates people from closed relations and leads them to form spontaneous relations with new partners (p. 11).

In the first chapter Yamagishi describes 'three paradoxes of trust', which show the conflicting premises of the common sense idea of trust. For example the first paradox is that, on the one hand, trust is most needed in situations of high social uncertainty, situations where 'trust' is most difficult to produce. On the other hand, trust is not needed in stable relations, where 'trust' is the most easily produced (p. 19). Chapter two provides conceptual clarifications and definitions of the different aspects of trust. Yamagishi divides trust into character-based trust and relational trust. Character-based trust is based on a judgment of trustworthiness as a general character trait. In contrast, relational trust is based on a judgment of a person's attitudes and feelings towards the ego. According to the type of information, character-based trust is divided further into personal trust, category-based trust, and general trust (p. 41n).

Key parts of the book explain Yamagishi's