all those who wish to familiarize themselves with what is going on in applied time series research. As such it would be an excellent complement to a standard econometric textbook in graduate or advanced undergraduate courses, and it would serve as a useful reference for empirical research workers. It is certainly comprehensive, well organized and remarkably well written.

References


Jan Kmenta
University of Michigan, United States
E-mail address: kmentajan@aol.com
doi:10.1016/j.ecosys.2008.03.003


While the academic interest in transition economics has somewhat declined, the publication of textbook-style monographs on post-communist economic transformation goes on. The three books under review add to the older ones by Åslund (2002), Gros and Steinherr (1995, 2004), Lavigne (1995, 1999), Pomfret (2002) and Roland (2000). They differ in length and coverage and provide different perspectives on the transformation process and its analysis.

The book by Tomasz Mickiewicz combines an overview of the main themes in the economics of transition with fresh quantitative analyses. It consists of two parts of roughly the same size. The first, which is largely based on secondary analysis, discusses the functioning of the command economy and the situation at the outset of transition, the relationship between the different elements of economic transition, the main issues in macroeconomic stabilization, the key trade-offs involved in privatization and the most important labour market trends. The second part of the book presents new empirical results on the sources of the output decline after the start of transition, the fiscal effects of economic reform, the determinants of financial sector performance, the nexus between democracy and economic reform and the determinants of economic growth in the transition countries.

Most of Mickiewicz’s empirical analyses converge in suggesting that mainstream economic and political reforms have paid off. Among other things, he finds that the delay of macroeconomic stabilization had a negative impact on the lengths of the transformational recession, that inflation has had a negative effect on economic growth and that economic reform has resulted in financial repression and higher fiscal deficits in the short run, but in an expansion of credit and improved fiscal performance in the medium run. Mickiewicz also presents strong quantitative evidence that democracy is good for economic reform and economic growth. Distinguishing between different elements of economic reform, he shows that democracy is most important for external liberalization.
Another interesting empirical finding is that the returns to democracy are diminishing, i.e. that the
effect of democratisation on economic reform weakens once a certain threshold of political freedoms
is reached.

Mickiewicz’s book is well structured and clearly written and covers the key issues of post-
communist economic transition in a concise and balanced manner. It also stands out by its strong and
consistent use of figures and EBRD indicators for all the transition countries covered by the EBRD
throughout most of the book. The empirical analyses are convincingly embedded in a discussion of the
state of research. They provide interesting new findings and give a good impression of the technical
problems of quantitative research on the issues under analysis.

As Mickiewicz himself concedes, the book suffers from some minor gaps in coverage, especially
from the lack of chapters on corporate governance and EU accession. However, the main limitation of
Mickiewicz’s book is a different one. Given his knowledge of the field and the wealth of his findings, it
is a pity that Mickiewicz is rather brief on some of the broader issues raised by his analysis, such as the
factors underlying the different reform trajectories, the policy consequences for different groups of
transition countries or the future of transition economics. A closer examination of these issues would
have helped to put the findings of the book into a broader perspective.

The volume by Hubert Gabrisch and Jens Hölscher has roughly the same size as Mickiewicz’s and
has been published in the same series. Intended as a graduate textbook, it features chapters on the
meaning and measurement of transition, the ‘Washington Consensus’ vs. the evolutionary-
institutionalist approach, financial sector reform, privatization and competition, labour market
trends, external liberalization, income inequality and EU accession, as well as a chapter with case
studies on East Germany, Hungary, Russia and China.

Gabrisch and Hölscher thus address most of the standard stuff in transition economics as well as
some often neglected issues, such as income inequality, the relationship between economic growth
and unemployment or the nexus between trade liberalization and exchange rate policy. Like
Mickiewicz, they do so in a clear and accessible manner. Compared to Mickiewicz’s book, however, the
book by Gabrisch and Hölscher features much less original research and results. It is also less balanced
on a number of counts. First, the country coverage is uneven and differs strongly among chapters.
While most chapters focus on the European transition countries, including Russia, others include
China and the Central Asian successor states of the Soviet Union as well. A second reason why the book
looks unbalanced is the two final chapters. The chapter on EU accession largely consists of an analysis
of competition policy in the light of EU accession and a case study on fiscal transparency in Poland and
does not add up to an overview of accession process and the role of the EU. Similarly, the case studies
in the concluding chapter are interesting in themselves, but are only loosely related to the rest of the
analysis. This leads to a final weakness of the book—the lack of a guiding narrative linking the different
chapters and providing some kind of overall message. It testifies to this weakness that the book does
not have a concluding chapter and remains rather vague with regard to ‘the successes and failures of
economic transition’ to which the title refers.

László Csaba’s book differs from those by Mickiewicz and Gabrisch/Hölscher in that it takes a
broader perspective and ultimately bids farewell to transitology. According to Csaba, in the countries
of the former Soviet bloc the transition ‘from plan to market’ has given way to new challenges such as
globalization, europeanization, institution-building or economic development. Moreover, he argues
that these new challenges differ strongly among the former transition countries, so that it no longer
makes sense to lump these cases together and to regard them as a natural country sample for analysis.
In line with these arguments, Csaba’s book starts with a long empirical overview on the different
reform trajectories of the post-communist countries. This overview is followed by chapters on the
developmental dimension of post-communist change, on globalization (or ‘transnationalization’, as
the author prefers to say), on europeanization and the ‘post-enlargement’ EU, on privatization and
regulation and on institutions and economic growth. In addition, the book features two country
chapters on Russia and China, respectively, which contrast those countries’ experience with that of the
East-Central European mainstream. All chapters are held together by Csaba’s consistent commitment
to, and use of, a neo-institutionalist approach, dubbed the ‘new political economy’, that complements
standard economic analysis by insights from various strands of institutionalism inside and outside
economics.
The three books under analysis thus provide different takes on post-communist economic transformation. They complement one another and the other available textbooks nicely and raise interesting issues for further analysis.

References


Frank Bönker*
University of Cooperative Education Leipzig, Schönauer Str. 113a, 04207 Leipzig, Germany

*Tel.: +49 341 42743 408; fax: +49 341 42743 331
E-mail address: Frank.Boenker@ba-leipzig.de

doi:10.1016/j.ecosys.2008.06.004