

DOROTHEE, BOHLE and GRESKOVITS, BÉLA (2012): *Capitalist Diversity on Europe's Periphery. Cornell Studies in Political Economy*. Ithaca-London: Cornell University Press. 304 pages.

This book on the political economy of “resource-poor small states” (268) of post-socialist East Central Europe, by the virtue of its very title, puts the problems of post-socialist societies both into a global context as well as into the framework of mainstream scholarship. This helps overcome the idiosyncrasies of both post-Sovietology and transitology by subjecting these transformations to fully-fledged comparative analysis. Hence, it was well-deserved that this title received the 2013 Stein Rokkan Prize for Comparative Social Science Research, awarded for the irrevocable scholarly transformation of transition studies.

With the benefit of 20 years of hindsight, and the illuminating light cast on capitalism by the contemporary world economic crisis, the authors developed a set of Karl Polányi-inspired ideal types and used them as yardsticks to study capitalist diversity on the (new) European periphery.

This exercise is Weberian ideal type building at its best. (So much so that one is tempted to use it in a Max Weber BA course to demonstrate the applicability of Weber's methodology to his theory of capitalism in the contemporary world.) The four models, the neoliberal regime (the Baltic states of Estonia, Latvia and Lithuania), embedded neoliberalism (the Visegrád countries of Hungary, Slovakia, the Czech Republic and Poland), the neocorporatist regime (Slovenia) and the weak state model (Croatia, Romania and Bulgaria) are developed along six dimensions that the authors deem the crucial structural and formative forces at play. Three of these dimensions are directly adapted from Polányi's Great Transformation (1944): politics, protection and market, where the issues at stake are government accountability vs. state capture, welfare state protection vs. pauperisation and market efficiency vs. commodification. The original triad is extended into a hexagonal “diamond” where the factors democracy (representation vs. ungovernability), corporatism (interest mediation vs. rent seeking) and macro-economic co-ordination (stability vs. straightjacket) are added. The four ideal types are designed by attributing certain qualities along these six dimensions to produce a heuristic device that is “utopic” in the sense that it does not exist in reality but serves the purpose of enabling “logical” comparison with reality, thereby avoiding the passing of judgements from the perspective of some “paragon” (to use Weber's own formulations).

The authors do not extrapolate from empirical evidence when designing their research tools – the data used throughout the book are secondary, with a modicum of added calculations by the authors. The most important quantitative contribution, six-dimensional indexing (23), however, is not transparent: the scales, the scale values for each case and the calculation methods are not dis-

closed. The only thing that is communicated is the visualisation of empirical results: the four images convey the extent to which the hexagonal shapes, “capitalism at its best”, are filled in (or not) by the Baltic states’ average scores for the neoliberal diamond, the Visegrád countries’ average scores for the embedded neoliberal diamond, South-east Europe’s average scores for the weak state diamond, and Slovenia’s scores for the neocorporatist diamond – the latter practically covers it all, revealing a hint of bias after all. The fact that the authors do not disclose the numbers here is certain to disappoint empirically minded readers. By contrast, the authors do a wonderful job when it comes to narrative analysis of actors (the main thrust of the book): the events, dynamic processes and explanations of outcomes in the course of the empirical substantiation of arguments. Eloquenty written, the text is full of memorable formulations, witty remarks and a light-hearted, even playful use of language in spite of the serious subject matter being discussed. In short, the book is a pleasure to read.

The structure is straightforward: the Introduction, along with Chapters 1 and 2 are devoted to designing the analytical framework of Weberian ideal types. Chapter 3 empirically sketches out the logic of the “marriage between nationalism and neoliberalism” in the neoliberal regimes of the Baltic states. A strong devotion to market reforms, fiscal stability (with harsh austerity when necessary) and meagre compensation for the social costs of transformation characterises this regime type. Chapter 4 substantiates empirically the dynamics of how welfare embeds neoliberalism in the Visegrád countries: while fundamentally pro-market, with its capitalism essentially based on foreign direct investment (FDI) by transnational companies (TNCs), this regime also features an extensive welfare state that redistributes wealth according to varied policy ideals. Chapter 5 is devoted to analysis of neocorporatist Slovenia, where labour, domestic business and other organised interests co-decide on the very industrial and economic policies that are non-negotiable in the previous two regimes – resulting in more welfare- than market-oriented measures. Chapter 5 also contains a discussion of the weak states of Croatia, Romania and Bulgaria of the South-east European region: after an initial period of economic and political disorder during the 1990s, characterised chiefly by the weakness of state institutions, Croatia moved towards embedded neoliberalism, while Romania and Bulgaria more or less assumed the regime posture of neoliberalism. Chapter 6 highlights regime characteristics and regime transformations in light of the current economic crisis, while the concluding chapter draws out the approach’s implications for the study of contemporary global capitalism writ large.

The six dimensions are stitched together into something of a patchwork, instead of a solid, theory-driven analytic framework: each dimension essentially rests on adapting a recent interpretive framework from a relevant disciple. In this sense the book is fundamentally multidisciplinary. Given, however, that it

has been ultimately conceived as an accomplishment in the field of political economy, it comes as no surprise that the theoretical, conceptual and empirical apparatus of the book is strongest on these edges of the diamond. Most of the secondary data and thus most of the tables carry information about market processes, most importantly on FDI trends, macro-economic co-ordination, corporatism and related issues such as location competition. What is missing is an evaluation of the role of EU funds, which amounted to some 3-4 per cent of GDP in the countries of this region between 2007 and 2013. .

As far as discussions about welfare regimes are concerned, the social implications of the pension revolutions are nicely pulled out. We might add, though, that pensions also act as a form of family support via intergenerational household financial transfers – a point overlooked in the detailed analysis juxtaposing young vs. old cohorts, pointing to the pressing need for policy responses to the demographic dynamic of ageing.

Although the analysis of the labour market is not as robust as that of the realm of capital, the authors do prepare the ground for social structure research by establishing the “structural constraints of society” that mainstream occupational class analysis is predicated upon, including the EGP scheme as well as the European Social-economic Classification. Most importantly, the book is a major point of reference in describing the structural constraints of society as transnational these factors play themselves out in important ways primarily in the European realm, both in terms of capital and labour, but capital and labour processes also need to be understood on the global level. In addition, the authors make a vital contribution to understanding the structural position of labour: beyond the low-skill, high-skill divide, they offer evidence of the fact that labour markets are segmented by sectors with strong regional demarcations where the borders are drawn by a league of TNCs, not the League of Nations (or its successors). Along this line, one of the most important empirical results that emerges from the book is the formation of an economic powerhouse extending from south-west Poland, over much of the Czech Republic to the north-west of Slovakia and Hungary, based on complex manufacturing and services propelled by sturdy FDI inflows that exploited socialist legacies of manufacturing industries and a trained work force.

Arguably the central empirical result for social structure analysis purposes, the identification of a regional economic powerhouse, is not brought to full consequences for understanding the dynamics of regional inequalities within the various types of capitalisms identified – e.g. how welfare policies have responded, if at all, to the vast differences resulting from the emergence of this powerhouse and the miserable fate of “poor houses” tucked away e.g. in north-east and south-west Hungary, east Slovakia, etc. Turning the issue into one of social structure analysis *per se*, the fundamental positions of capital and labour are to be complemented by another fundamental stance – that of social exclu-

sion. As varied as the positions within the other two fields are, the defining structural characteristic of socially excluded positions is that they are located outside the labour market.

It is in this context that the painfully missing issue of migration is to be noted. Only when discussing the current crisis does it come up at all (231, 244), and even then only as an option of “mass exit” for those hit hardest by the economic crisis. I would submit that the radical social restructuring resulting from domestic and regional migration and the “free” movement of labour in the European realm calls for the most complex and well-funded policy responses – an issue that should certainly interest the authors of the book.

Related to the issue of regional inequalities, the role of EU funds is to be recalled again. In those regions of the Visegrád countries that have been largely unaffected by FDI or domestic capital investments, EU funds constitute the largest source of financial resources both for the private and the public sector. Connected to this, another implication for occupational social structure analysis is the related issue of the emergence of an increasingly important group of actors, the project class. These professionals play a mediating role in the transfer of EU funds (and other public monies distributed in a projectified manner) to beneficiaries, while at the same time coming to share the power of traditional political and economic elites (Kováč and Kucerova 2009).

In closing, we would like to point out a possible extension for a second and enlarged edition of the book. The authors go to great lengths to demonstrate the formative role of political agency in initial regime-defining choices and in the course of adaptation to the challenges posed by crises and transnationalisation. However, readers would have been further enlightened by a succinct rendering of the political systematic background of domestic political agency in the new democracies. What is (largely) missing from the book is an “introduction to political science 101” type of summary of how single member district vs. party list electoral systems typically produce two party vs. multiparty parliaments that typically have single party vs. coalition governments, and most importantly, what the role of prime ministers is against this background (of mixed regimes, if that is the case, as in Hungary). The examples of processes of party formation and political competition during the “return to hard times” of the world economic crisis (235–255) would have been more comprehensible when put into the context of a “democratic diversity” analytical framework.

It would also have been helpful to provide an explanation for the hyper agency detectable around centres of political power occupied in many parliamentary democracies by quasi-presidential prime ministers, exemplified by Tony Blair (Körösényi and Paulski 2012). Such a transformation has allowed for novel modes of political agency, as quasi-presidential prime ministers do not have to seek compromise with legislative bodies and fear deadlock like in pure presidential regimes based on dual democratic legitimacy: quasi-

presidential prime ministers run the same term of office as the legislature(s), above whom they are elevated by the electoral machinery in the course of a personalised political campaign, and above whom they govern in direct personal contact with the electorate via mass media (and increasingly the social media). That leaves ample room to manoeuvre around objective weaknesses and threats, and to exploit strengths and opportunities provided by the new capitalist epoch, even in its crisis-ridden format.

The volume is rich in historical, intellectual, political and anecdotal detail, provided in proportion to the issues at hand. Another great service delivered by the book is its comprehensive review of up-to-date literature (almost exclusively in English, with some exceptions in the authors' mother tongues, German and Hungarian) in the academic fields that have a bearing on establishing the dimensions of the analytical framework or when empirically substantiating the body of arguments. Scholars of any of the social sciences will find this volume a useful reference point when writing about transition societies – or even the fate of mainstream capitalisms for that matter.

#### REFERENCES

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