

Book Review

Martin Myant and Jan Drahokoupil (2010): Transition Economies: Political Economy in Russia, Eastern Europe, and Central Asia, Hoboken, NJ: Wiley-Blackwell

More than 20 years have been gone since the wind of change was blowing across the former socialist countries in Eastern and Central Europe and the former Soviet Union. The political and economic collapse came fast and rather surprising. Hence, these countries were unexpectedly faced with a transition from a central planning system towards the free market model. Since these times, many suggestions have been made by economists and politicians on how to deal best with the transformation problem. However, taking a closer look on the current situation in Eastern Europe and the former Soviet Union indicates that the results are not as good as expected.

The book by *Martin Myant* and *Jan Drahokoupil* takes the opportunity to evaluate the efficacy of different forms of liberalization. It contains many analyses and insights illuminating the transformation processes from a politico-economic point of view. The first section critically describes the system of state socialism, its successes and its failures that finally led to its breakdown. Section two gives an extensive overview over the macroeconomic developments in the last 20 years, while section three points out transition strategies and adaptations of alternatives. Section four provides useful information on and a straightforward analysis of the role of the state and its evolution. Section 5 discusses the changes at the microeconomic level, with a strong focus on the role of enterprises and privatization, the growth of new business sectors as well as the new banking system. Section 6 concludes by analyzing some varieties of capitalism and by pointing out the effects of the global financial crisis on the transition countries in Eastern Europe and the former Soviet Union.

The thoroughly analysis of the transformation processes over a longer horizon of 20 years, combined with the huge amount of data presented, is the major strength of the book. The authors point out not only the macroeconomic effects in the transformation process, but also emphasize the important microeconomic evolution during this time. Moreover, they are critical – in a very convincing way – about the Washington consensus and its transition strategy. Numerous tables and figures make it easy for the reader to understand the book's line of arguments.

Overall, the book by *Martin Myant* and *Jan Drahokoupil* is a work of substantial academic merit. It is likewise interesting for researchers and students from economics, business, political science, sociology and history. Last but not least, the book is very well written and both easy and interesting to read.

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