Post-Socialist Political Economy: Selected Essays

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Post-Socialist Political Economy: Selected Essays. By James M. Buchanan. Lyme, N.H.: Edward Elgar, 1997. ix, 285 pp. Notes. Bibliography. Index. Figures. $80.00, hard bound.

In this excellent collection of essays, originally presented as lectures from the early years after the fall of communism, James M. Buchanan builds on the assumptions of public choice theory to predict the success of establishing markets and democracy in postcommunist societies. Indeed, as one of the founding fathers of public choice theory—in particular, constitutional political economy—his predictions have been long awaited. And the postcommunist political economy provides fertile ground in which to "test" the propositions and hypotheses of this approach. Beginning with the assumption that politicians and bureaucrats are self-interested actors, intent upon maximizing their own reelection and rent-seeking capacity, he argues that without cultural and institutional constraints on their actions, full-blown and well-functioning marketization will be impeded. And from the vantage point of the early 1990s, the outlook appeared grim. Buchanan predicted that the absence of a long-embedded market exchange culture would adversely affect the long-term success of the marketization process, and that the absence of well-defined democratic institutions would allow for the emergence of a strong Leviathan-style state that would further increase the potential for the distorting effects of state intervention in the national economies.

With regard to the absence of a market culture, Buchanan states, commenting upon Francis Fukuyama's work, that "markets do not, and cannot, emerge full blown without understanding and appreciating culture, at least in such a fashion as to achieve tolerable efficiency standards" (3). That culture, he argues, must be permeated with the norm of noncoerced exchange and must create expectations that exchange will bring mutual advantage. In essence, the culture must support the following type of reciprocity: "The salesclerk in the Sheraton Hotel in Houston, Texas, offers me a postcard as if she, personally, has an interest in my purchase, even when both of us know that her wage or position depends only in some extremely remote sense on her behavior in our momentary relationship" (97). The seed of the cultural norm of mutual advantage in exchange was planted in the small private sectors of the socialist economies of eastern Europe. And it is the expansion and extension of these sectors in the postcommunist political economy that will institutionalize the exchange culture. Accordingly, although Buchanan argues that exchange culture can be fomented and transplanted within the postcommunist political economy, the point remains that this process is a long one and the behavioral expectations that one assumes in a functioning market economy might take a long time to take root and may thus undermine the entrenchment of well-functioning markets.

This argument raises the issue of state institutions and the role that they must play in creating markets. Institutions, in the form of constitutionally embedded rules, are fundamental to the success of market consolidation. This is because the "invisible hand" of the unregulated market cannot accomplish the coordination needed to bring about efficiency and growth, particularly in the absence of a well-established exchange culture. Markets, Buchanan argues, must be constrained by rules embedded in institutions. Without such rules, or a "constitution" for the market, real economic chaos will ensue. Buchanan believes that this necessary process of institutionalization will be slow because no viable institutional vision has emerged in the wake of communism's defeat. Indeed, while postcommunist societies lost faith in socialism, no new faith in markets and no new operating principles have emerged to fill the vacuum. Thus, an attitude of nihilism toward all forms of economic organization has arisen.

According to Buchanan, it is in this ideological and institutional vacuum that the "Leviathan" state is likely to emerge and assume dominance. With no overriding principle that dictates how an economy is to be organized, the political structure is open to maximal exploitation by well-organized interests that seek to exploit the powers of the state to their benefit. This means that there will be arbitrary incursions into the market, with the pattern of intervention being dependent strictly on the relative strengths of organized interests. In this sense, the path to marketization, without the recommended constitutional limits and rules for state interference, becomes a path for the emergence of a strong state with significant potential for corruption.

This analysis is clearly persuasive, and Buchanan provides evidence from the early

postcommunist years to support it. But does it hold almost ten years after the fall of communism? Has an exchange culture begun to emerge and flourish? Or has it been squelched by the way privatization has been managed? Has the absence of institutional constraints led to the emergence of Leviathan states? What role have the institutions of the postcommunist political economy played in stabilizing and constraining markets? Do recent outcomes in postcommunist transition suggest that cultural preconditions are necessary for stable markets to emerge?

Although these points do not invalidate Buchanan's argument, they do raise additional questions. If an exchange culture can be created in a top-down fashion, then it appears that the role that institutions can play in the postcommunist marketization process is the most crucial factor in their success. But controversy over this issue still continues. Indeed, Buchanan has written an important book that will spark debates over the direction of postcommunist transitions for years to come.

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Slavic Prosody: Language Change and Phonological Theory. By Christina Y. Bethin. Cambridge Studies in Linguistics, vol. 86. Cambridge, Eng.: Cambridge University Press, 1998. xv, 349 pp. Notes. Bibliography. Index. Map. Figures. $69.95, hard bound.

Prince Nikolai S. Trubetskoi's comment (written to Roman Jakobson in 1926), that "Slavic accentology is a completely hopeless enterprise" (117), has been interpreted many times as a direct challenge. The most recent contribution is Christina Bethin's densely written and handsomely produced *Slavic Prosody.* It is an ambitious book: only the second of three long chapters is about Slavic prosody itself. The first is devoted to late Common Slavic phonology (and specifically syllable structure) and the third is devoted to issues of phonological theory. The intended audience comprises not only Slavic linguists and accentologists but also general linguists specializing in phonological theory; the goal is not only to produce a unified view of late Common Slavic phonology and prosody but also to acquaint the Slavicist with new applications of phonological theory and the phonologist with theoretically interesting Slavic data.

Such a broad readership will naturally find different things with which to be satisfied and dissatisfied. On the latter score: the Slavic accentologist will want more attention paid to accentual matters per se and will chafe at the necessity to plow through liquid metatheses, the fall of the jers, and so on, yet one more time; many Slavic linguists will want less attention shown to matters of theory and more to the data and will sense (and dislike) an attempt to force highly complex data into a preordained, possibly overly mechanistic model; other linguists, and especially phonological theorists, will welcome the solidly theoretical approach but will grumble at the seemingly eclectic mix of models and will want to see the Slavic data presented in support of a particular theory.

Overall satisfaction should far outweigh these complaints, however: the book's combined readership cannot help but recognize a work of undeniable value. The heart of Bethin's study, and its original contribution to Slavic linguistics, is the analytical framework that allows (and forces) one to recognize a greater degree of interdependence between segmental phonology (specifically syllable structure) and prosody in the developments of late Common Slavic. She shows convincingly that the crucial reorganizations of Common Slavic syllable structure not only significantly preceded the fall of the jers but also created a framework in which the different prosodic restructurings took place in a coherent and cohesive fashion. Correctly shifting attention away from the much heralded neoacute and onto the shortening of the old acute, she demonstrates the several different ways that distinctive quantity was relevant throughout the history of Slavic prosody.

Bethin's approach combines elements of metrical phonology and optimality theory, insists upon the necessity of an autosegmental approach to Slavic accentology, and presents all diachronic hypotheses in terms of moras and changes in moraic structure. Some of her claims restate known facts (such as the need to view the fall of the jers, the Slovak