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[Aller au sommaire du numéro](#)

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decollectivized, presumably placed on individual contracts of employment. Boxall writes sympathetically about the Act, arguing that it was necessary to break the old rigidities and bring the flexibility employers world-wide are pursuing. He credits the Act for New Zealand's improved competitiveness. He contends that while some firms have used reform to erode wages and working conditions, mainstream employers have not, for fear of destroying morale. Some organizations have used their new flexibility to introduce more cooperative schemes.

From Kiely and Caisley's review of case law which has emerged under the Act, one is struck by some employers' eagerness to use the Act to justify unilateral abrogation of employment contracts in ways which would be unthinkable if the contracts were with suppliers. Employers have asserted that the primacy of the right to manage should override the sanctity of employment contracts. The courts have held them to the legal standards for commercial contracts. McAndrew sketches the nascent structural outlines of contract coverage. His survey revealed that the majority of firms neither consult employees prior to drafting contracts nor make significant changes in them after "individual bargaining" has occurred.

The book is packed with interesting details and observations. It should interest anyone wanting to know what could happen if state support for collective bargaining and unionism were withdrawn. New Zealand's experiment allows one to glimpse the denouement of a neoconservative agenda. Although it is premature to draw conclusions about the final shape of this assault upon collective bargaining, its outlines are becoming evident. The book is a balanced collage, reflecting a number of perspectives, i.e. historical, union, management, legal and women's. It would benefit from an introduction to summarize the Act's provisions and the book's approach to the subject. As well, it needs a conclusion.

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**From Socialism to Market Economy: The Transition Period**, edited by William S. KERN, Kalamazoo, Michigan, W.E. Upjohn Institute for Employment Research, 1992, s. 5 + 134 p., ISBN 0-88099-129-1

This is a collection of academic papers presented during the 1990-91 school year at Western Michigan University. Paul Marer deals with the roadblocks to changing economic systems in Eastern Europe. Abram Bergson analyzes the Soviet economic reforms under Gorbachev. Joseph S. Berliner reviews the chances of reconstructing the Soviet planned economy. Paul R. Gregory explores the relationship between the Soviet bureaucracy and economic reforms. Herbert S. Levine examines some basic inconsistencies in the promotion of reform. Joseph Brada discusses the limited window of opportunity available to politicians who promote economic transformation in Eastern Europe.

The problems highlighted by the authors still remain valid. Private ownership is being implemented with great difficulty. Strong competition and free trade are far from being the driving forces of progress. A strong and convertible currency has been

established in only a few countries. An efficient system of financial intermediation (banking) is still a dream. Prohibitive taxation remains common, mainly due to the permanent deficit of the public sector. Adequate infrastructure, including environmental protection, still needs to be constructed. A pluralist and stable political system develops with great pains and the political systems in several Eastern European countries amount to little more than caricatures of Western pluralism. The freedom to pursue personal goals is better now than before, but a considerable part of the population remains greatly dissatisfied with the new arrangement, even if communism is generally rejected as a viable alternative. Many local attempts of building a system alternative to communism are still devoid of almost all of these features that effective market systems require.

In Russia Gorbachev had to deal with an increasing stagnation of the rate of economic growth and Yeltsin has even more challenge originating from among others, the parliament unwilling to cooperate with him and to follow his line. Private business could not develop under Gorbachev due to onerous taxation, ideological hostility, the distortive effects of the material supply system, and prices fixed by the government. But, also now, private entrepreneurship meets serious obstacles not only in the ex-USSR but also in other postcommunist countries; for example in Poland the bank credit is definitely too expensive, and the impoverished population has a very limited buying power. Mismanagement remains an acute problem also in the postcommunist era due to the inadequate selection of the managing personnel, political interferences (each political party has its vested interest to promote their own supporters and to locate them on the significant jobs), and the pressure of various lobbies (for example, Solidarity trade union in Poland).

There is an interesting and important case of resistance to change. Under communism bureaucrats were against the reform movement because they defended their privileged positions and any alternative order was beyond their imagination. The new rulers have a great difficulty to agree among themselves what and how should be done; they deal with a population consisting largely of losers; only a small part of society consists of people definitely gaining on the reforms. Under such adversary circumstances there is definite difficulty to gain mass support; many people refuse to exercise their citizen rights on behalf of the new democratic order identified by them with heavy unemployment, intensive power struggle, loss of several social benefits, and the growth of a new class indulging in the conspicuous consumption.

In Eastern Europe there is some tendency to discredit the Western experts as being far enough from the local reality to understand it and be able to formulate any valid recommendations on what actually should be done. Experts whose articles are here reviewed have formulated several advices which are still valid even if they were done already a few years ago. For example, H. Levine mentions the urgent need of a theory or model of the transition process. According to him, the Eastern European socialist reformers had little clear guidance about how to bring new institutional structures. "The situation is akin to that of a person armed with a blueprint of a "dream home," but without any carpentry skills." (p. 6). A similar critique of a new postcommunist establishment is common among several contemporary Polish scholars and experts (see J. Kubin and Z. Żekonski, eds. *W poszukiwaniu strategii zmian* [In the pursuit of a transformation strategy], Warsaw: Upowszechnienie nauki, 1992). This means that several intellectual

shortcomings remain intact even under much different circumstances. Foreigners sometimes may see the reality much clearer than the local people who follow blindly the biased perspective. This is probably one of the reasons why the compatriots who settled for good abroad are not necessarily welcomed now home. The local colleagues take too much for granted that any outsider misses the main points and therefore it is not worth even to listen what he or she has to say.

H. Levine also argues that several reforms in order to become successful must take place more or less simultaneously. For example, the replacement of old managers by entrepreneurially oriented persons will by itself not be a change much for better as long as the freedom of initiative is not provided. "Changes in one part of the economy are dependent on changes having been made elsewhere before they can proceed. Undertaking all these changes simultaneously raises the probability of significant disequilibria occurring" (p. 6). One of the basic problems of the postcommunist countries is the political instability of the new multiparty establishments, and the inability of the state apparatuses to make a constructive contribution to the wellbeing of the population, growth of private businesses, economic viability of the remaining public enterprises, gaining trust of the majority of citizens, and to find new markets which would substitute the lost Eastern market.

In present day in Central-Eastern Europe it is common, especially among the intellectuals and journalists, to search for a scapegoat responsible for the postcommunist failures. Unfortunately, the recovery from wishful thinking is slower than the majority of citizens are willing to approve. The necessary practicality, dedication, and hard work are often missing. People have become too much accustomed to wishful thinking, and they expect economic miracles from democracy and free trade. There is also not enough understanding that the big industrial democracies have much of their own troubles (for example, in Western Europe the average unemployment has been 10 % during the last ten years) and it is not realistic to depend too much on their financial aid. There is too much trust in the general schemes and not enough dedication to implement specific targets mobilizing the local human and material resources. Eastern Europe has a considerable scientific potential but its practical utilisation remains much inefficient due to bureaucratisation of scholarly institutions. There are good and reliable experts available but they remain much underutilised because of a much competitive nature of mutual relationships between actual and potential consultants. With each governmental change there is a reshuffle of consultants.

The postcommunist reality of East-Central Europe is still in a fluid state and any new elections may bring much new, even if the return to the past state of political affairs (totalitarianism) is highly improbable.

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