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Out of the Red: Building Capitalism and Democracy in Postcommunist Europe

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Orenstein, Mitchell. *Out of the Red: Building Capitalism and Democracy in Postcommunist Europe*. Ann Arbor: Univ. of Michigan Press, 2001. 184pp. \$60

Historically, most countries first develop a market economy, even under oppressive conditions, before developing a democracy. However, the 1989 revolutions in Central and Eastern Europe produced a counter case—the initiation of simultaneous democratic and economic reforms. Many policy makers and academics outside the region have recommended that stability lies in a coherent and rigid reform plan for all such states. The United States, for example, has suggested and still sometimes emphasizes a “cookie cutter” or “one size fits all” recommendation for economic reform, emphasizing stabilization, liberalization, and privatization. Economic reform, Washington argues, should be placed above the “whims” of politics and not fall victim to victories of the left or right.

Mitchell Orenstein is assistant professor of political science at the Maxwell School of Syracuse University, where he teaches courses on Central and Eastern Europe, as well as on transitions to democracy.

In this work, Orenstein tests these precepts for economic reform in the democratizing countries of Poland and the Czech Republic. He asks the hard question: Were the postcommunist governments definitely less than democratic reform minded, hostile to economic and market-oriented reforms? Orenstein’s persuasive findings demonstrate that the traditional model of the stick-to-it economic plan may not be the only answer. Indeed, policy learning

and fine-tuning result from the successful alternation of the political parties in power in these democracies, even when a postcommunist party returns to take control.

For example, some feared that the resurgence of a postcommunist government in Eastern Europe could lead to a total backlash of democracy in the region or, worse, pander populist solutions to ease the pain of economic restructuring. These fears did not materialize, and the postcommunists elected in Poland did not massively change the economic agenda. There was a slowdown in some areas of reform when the SLD, the Polish postcommunist party, won in 1993, but there was no major attempt to undo economic changes or alter Poland’s Western-oriented path. In the election of 1997, political power once again changed, this time swinging to the right and to Solidarity Electoral Action. This not only further illustrated Poland’s economic success despite alternation of power but also showed how that change resulted in a more efficient and centrist economic policy. Government officials adapted and responded creatively to the wants and needs of the electorate.

Interestingly, it was in Prague that the traditional neoliberal “cookie cutter” reforms were implemented and remained unchanged for eight years, between 1989 and 1997. Orenstein argues that the Czech Republic was not as successful as Poland because of the rigidity of its reforms and its lack of ability to change or adapt. He adds the other dimension of the Czech economic problem—vouchers. In the 1990s, in an attempt at rapid privatization, the Czech Republic gave citizens vouchers to restructure nationalized industries.

The voucher program failed largely because of government corruption, which led to a loss of public support.

This book is insightful but incomplete. Orenstein's arguments are concise and persuasive, but he only examines two cases that neatly support his argument. Hungary would have been an excellent additional test, as would have the fledgling economies of the Balkans, where the process of democratization is affected even more directly by domestic and international constraints.

With possible entry into the European Union just around the corner for most of Central and Eastern Europe, the United States and Europe must look carefully at these practical experiments in democratic and economic liberalization. With democracies emerging in Southeast Asia and perhaps the Middle East, it is important to develop and test models of economic reform to see what works and how best to implement them in democratizing countries.

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Boot, Max. *The Savage Wars of Peace: Small Wars and the Rise of American Power*. New York: Basic Books, 2002. 428pp. \$30

If the story of the military history of the United States could somehow be presented in a single museum, the most grand and widely visited halls would be those dedicated to the American Revolution, the Civil War, and World War II. Less visited, but still of interest, would be much smaller exhibits devoted to World War I, Korea, Vietnam, and DESERT STORM. Conflicts such as

the War of 1812 and the war with Mexico might rate a single dusty showcase in some obscure corner. Tucked out of sight, rarely seen, and all but forgotten would be cabinets, crates, and cartons packed with the jumbled stories of bush wars, expeditions, occupations, pacifications, and reprisals—the often sanguinary and surprising “small wars” of the U.S. military experience.

Reporter and *Wall Street Journal* editor Max Boot provides us with a long-overdue survey of the all too often slighted and neglected realm of these lesser conflicts. His work is of necessity an overview, but it is eminently readable and entertaining. Along the way, Boot reminds us that the conduct of these small conflicts is as much an “American way of war” as that which mobilizes and employs mass citizen-armies in protracted combat. Finally, and perhaps most importantly, Boot suggests that many of the lessons learned from these small wars may be applied to the security dilemmas of today.

This work deserves praise on several levels. To begin with, Boot has rescued the history of these conflicts from a regrettable level of obscurity (as far as the general reading public is concerned). As the merits and limitations of the United States taking on the role of an imperial police force are increasingly debated, it is useful to recall that this is not the first time America has attempted to do so. The author has the courage to suggest that under certain conditions, imperial police forces may provide a much higher quality of life for indigenous people than would otherwise be possible. Boot notes that Haiti's greatest period of prosperity arguably occurred during its long occupation by the U.S. Marine Corps. He also points out that