

Restructuring Networks in Post-Socialism: Legacies, Linkages, and Localities.
Edited by Gernot Grabher and David Stark. Oxford University Press, 1997. 347 p.
Cloth, \$75.00.

Reviewer: DMITRI N. SHALIN, *University of Nevada, Las Vegas*

Modernists do not hold much stock in the past. They want to bring down the old system and build a new one, preferably from scratch. But the tradition they strive to overcome does not readily yield to force. Bolsheviks discovered this in 1917 when they tried to replace the Tsarist bureaucracy with the communist enterprise. Russia and East European liberals are now learning the same, as they struggle to wipe out the socialist legacy and usher in capitalism.

The 14 essays assembled in this volume convey the rich ironies of history, powerfully reminding us that politics do not suffer political theory gladly. Nearly a decade after the communist regimes were toppled, East Central European economies lay in tatters. East German industry that once employed 3 million people has less than one million workers today. Well over a third of all enterprises in Hungary now operate at a loss. Since the late 80s, the Russian GDP has dropped about 30 percent. With bankruptcies on the rise, wealth polarization unabated, and the prospects for recovery uncertain at best, the backlash against reforms was inevitable. The second wave of elections in Russia and East Central Europe brought to power the nationalists and ex-communists who promised to mitigate the social cost of reform, if not to reverse the course of history.

Paradoxically, it is the radical manner in which liberals sought to do away with the past that deepened the transitional crisis. The past, according to researchers presented in the book, is a resource that must be harnessed in the cause of market reforms. To begin with, a typical socialist economy was never as monolithic as it appeared to be. It was fueled by a vast network of personal ties, reciprocal favors, and capital-enhancing strategies that fostered networking skills and entrepreneurial spirit indispensable for post-socialist transformation. The cultural and social capital that the old elite accumulated during the ancient regime comes in handy today, as evidenced by the key role its members play in the new economy.

The winner-take-all strategy many reformers advocate in pursuing privatization is also likely to backfire, for it undermines the organizational diversity and cross-ownership vital to economic evolution. Recombinant property forms that blend public and private rights and allow their owners to spread liabilities are better suited for the volatile market conditions characteristic of the transitional period.

The drive for free market has had one more unanticipated consequence: it has brought the paternalistic state back into the marketplace and stifled regional autonomy and local initiative. What cannot be readily accomplished on the national level, the research shows, might well work regionally where local network capital is

apt to be mobilized more efficiently. Like their predecessors, post-socialist systems are negotiated orders achieved *in situ* by skillful agents operating in regional contexts and hedging against unforeseeable futures.

The book is an important contribution to the fast-growing field of transitional studies. It features some of the most exciting theoretical thinking currently employed in economics, sociology, and political science. The project is itself a testimony to the power of networks: it shows what an international team of academic entrepreneurs with vastly different backgrounds can accomplish by pooling their resources and taking on regnant orthodoxies. And if the book raises more questions than it answers, it is because this academic network continues to evolve.

All this is not to say that the theoretical perspective animating this collective project is free from blind spots. Its proponents need to pay closer attention to the social cost of various strategies driving postsocialist reforms. The issue of justice is key to liberal reform, whose success in large measure hinges on the leaders' ability to justify its iniquities. It would be interesting to see how network theorists rationalize primitive capital accumulation currently afoot in Russia and East Central Europe.

Another lacunae that the network-oriented approach has to fill is organized crime. The present volume leaves the issue alone, yet an argument could be made that organized crime plays a major role in shaping post-socialist economies. Here is an important test of how far the present research team is willing to go in its endorsement of organizational diversity and cross-ownership. With much of Russian trade and financial services controlled by criminal syndicates, the issue is hardly a theoretical one.

The notion that "entrepreneurship is not a function of individual personality but of a social network" is well taken — witness the entrepreneurial imagination refugees from socialism demonstrate once they find their way abroad. But the argument also makes sense when played in reverse: individuals set up networks, and some personalities are better at it than others. It was not just their ability to network that gave Protestants an advantage over the competition in the late seventeenth century. If Weber is right, it was also a spirit, an ethic, a personality. Meanings sedimented in the lifeworld and passed on from one generation to another have something to do with structural continuity and change.

Network theory has produced a line of inquiry that promises to reshape Russian and East Central European Studies. It will serve as a useful antidote to Western triumphalism, gloating over the communist demise, and the carpetbaggers" rush to sell sure-proof recipes to the vanquished. We should not forget, however, that network theory is first and foremost a language, a rhetoric, a poetics, really, with all its favorite tropes like "diversity," "ambiguity," "uncertainty," "chaotic systems," "network capital," and "muddling through." Long after the young Turks will have

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been subjected to the same irreverent treatment they now unleash on the present orthodoxies, they will be remembered not for the facts they unearthed or recommendations they had to offer (the network-capital-rich East Asia is hardly a model anyone in East Europe would care to emulate today), but for the intellectual vigor and moral imagination that inform the best of their narrative.