

## HISTORIES WITH COMMUNISM AND POST-COMMUNISM – THE PATHWAYS IN AND THE PATHWAYS OUT

Norkus, Zenonas: *On Baltic Slovenia and Adriatic Lithuania: A Qualitative Comparative Analysis of Patterns in Post-communist Transformation*, Budapest: Central European University Press, 2012, 376 pp., £47.50, ISBN-10: 6155053502

The book by Zenonas Norkus is highly welcome for at least three reasons. First, it offers a broad interdisciplinary picture, combining economic and political perspectives on the post-communist transition. Secondly, it puts forward many theoretical innovations and new concepts, while explaining divergent post-communist pathways in a non-teleological manner. Thirdly, it manages to avoid the so-called ‘Visegrad bias’: the book is focused on transition in lesser-discussed smaller post-communist countries like the Baltic States (particularly Lithuania) and Slovenia.

The major novel theoretical contributions are made in the first half of the book analyzing the various types of communist legacies, nature of transition, its major drivers and multiple outcomes both in economical and political terms. The author makes use of a heuristic concept, ‘orientations of transformation’ in his book. Norkus distinguishes between: continuational orientation (e.g., Belarus), mimetic orientation (to be like the West – e.g., the Visegrad countries, and later the Baltic states), restitutorial orientation (the restoration of the society of the pre-communist period – e.g., the Baltic states in the early 1990s) and innovative orientation (to find its own novel ways – only Slovenia adopted that orientation). Although the orientation of transformation has not been a genuinely novel idea, it proves to be a useful analytical tool for the holistic explanation of the divergent post-communist pathways.

The book casts light on an astonishing diversity of the post-communist economies. The author relies on the theory of varieties of capitalism developed by Hall and Soskice (2001). The major argument is that while capitalism in a majority of the new EU member states in CEE can meet the criteria of Western rational entrepreneurial capitalism (REC), the economies in these countries are still substantially less developed than in the West and do not belong to the capitalist core of the world economy. Because of their semi-peripheral position the economies in CEE could be classified as dependent market economies (DME; Nölke and Vliegenthart 2009), with their own varieties: Anglo-American style capitalism in its less

developed version could be found in the Baltic countries (Weberian-Friedmanian capitalism), while the less advanced capitalism with continental-European features (Weberian-Porterian capitalism) is predominant in the Visegrad countries. According to Norkus the only post-communist country considered to be a full-blown Western European core capitalist country was Slovenia.

Based on variables and typologies put forward in the introductory chapters of the book, a Qualitative Comparative Analysis (QCA) was conducted (see for further details on QCA methodology: Rihoux and Ragin 2009). QCA was applied in order to construct a general theory of post-communist transition and to identify necessary conditions leading to liberal democracy and market economy (or to the failure to introduce it). However, the analysis does not give us such a universal list of necessary conditions or the model of 'the most successful path' for the rapid adoption of liberal democracy. The only substantial finding emerging from the analysis was, that elite pact-based political transition (as it happened in Poland, Lithuania, Hungary) has been the least prone to the failures to introduce a liberal democratic regime. The additional goal of the QCA was to demonstrate, that there could have been several hypothetical pathways of transition, not observed in real life, but populating the empty rows of the Venn diagram in the QCA analysis and worth further analysis. That is the reason why the title of the book is referring to the 'Baltic Slovenia' and the 'Adriatic Lithuania' – to the post-communist pathways logically possible, but not realized in real life.

The second half of the book is dedicated to applying theoretical conceptions on the Lithuanian case. The socio-economic development of Lithuania has been compared with Estonia ('Why Lithuania "lagged" behind Estonia'), and both Baltic countries' pathways have been juxtaposed with Slovenia. The author does not only explore the major differences between the cases but also looks for cultural-historical, geographical and institutional explanations for their divergent path. Norkus also envisages what it would have looked like if Slovenia had adopted the mimic/restitutional orientation (instead of more innovative orientation) and implemented neo-liberal reforms like Lithuania did, and vice-versa.

Although many theoretical and conceptual contributions made in the book are fresh and elaborated, there are still various arguments and issues requiring critical consideration.

Even though it is apparent that the author is following a clear underlying logic in his analysis, the book's structure is nevertheless somewhat incoherent. First, not all chapters are connected with the theoretical framework laid down in the first half of the book and the QCA analysis, which was declared to be a cornerstone for further analysis, is hardly mentioned in the subsequent empirical chapters. Secondly, the

empirical focus of the approach is inconsistent and therefore confusing: is the book really about the transition in Lithuania, as promised in the introductory chapter, when almost equal consideration has been put on the Estonian and the Slovenian cases?

Basically it was a very inspiring idea to apply the QCA methodology to post-communist transition, but the results of the analysis appear less impressive: no necessary condition for successful transition was revealed and the sections studying the hypothetical cases of transition remain quite abstract.

One could further raise objections to the author, both terminology- and content-related, regarding his treatment of economic modes of exit from communism. Norkus here, quite traditionally, contrasts the gradualist and the radical paths. As a synonym for the latter he uses the term shock therapy, which may provoke protests at least among economists, since shock therapy is a metaphor traditionally used to designate not transition in general, but one of its stages, usually the macroeconomic stabilization at the early stage of the process. The use of the term 'shock therapy' in connection with some other elements of economic transition, for example in the case of privatizing large enterprises, as Norkus does, is rather questionable. Unlike macroeconomic stabilization it cannot be carried out during a brief period, a 'therapeutic' result in case of privatization can be discussed only after the relatively stable ownership structure has emerged, therefore in long-run. It seems that in some cases the author ignores the peculiarities and technologies of various stages of economic transition and treats alike very different phenomena of radicalism, regardless of their economic content. For instance, liberalization of prices is the accepted and central element in the stabilization oriented 'shock therapy' tool-box of economists, but not the immediate liberalization of wages. Because of it, it is quite hard to accept the Norkus' interpretation, that if the liberalization of prices was not accompanied by the immediate liberalization of wages, it reduced the level of radicalism of transition. For economists the freezing of wages while liberalizing prices is the indicator of radicalism in stabilization policy, not vice versa.

Comparing Estonia and Slovenia, the author has primarily emphasized those features in the development of these countries, which are clearly different. However, he has exaggerated some aspects. For example, monetary reform had been carried out in Estonia before the coming to power of the 'strongly right-wing and ethnically identified parties', which Norkus considers a peculiarity of Estonia's transition. One can agree with the argument that the top nomenclature of the socialist period was largely excluded from higher-level politics after the restoration of Estonia's independence, but there is certainly no ground for claiming, as Norkus does, that a practical lustration occurred in Estonia.

Norkus considers Slovenia's path and its end results emphatically positive. He presents the hypothetical scenario of a 'Baltic Slovenia' (if Slovenia had adopted the mimic orientation and Baltic states' type economic reforms) in excessively gloomy colors, while the hypothetical scenario of an 'Adriatic Lithuania' (a gradualist scenario, avoiding neo-liberalist recipes) is described in predominantly positive terms. It is not clear either how justified it is to describe Slovenia's economic policy as 'innovative'. Many political solutions employed in Slovenia were different from the CEE mainstream, but this can be explained by the specific initial conditions of Slovenia as a country seceded from the former Yugoslavia rather than by particular innovativeness of the transition policies. Probably more significant than the author's displays of sympathy to one or the other development model is his statement that the pathways out of socialism were strongly path dependent. The Baltic states had no opportunity to copy Slovenia's path while it is unlikely that Slovenia could have used a path similar to the Baltic states'.

In general: the book offers a substantial contribution to the literature on post-communist transition. It encourages scholars of the field to be more innovative and to propose new typologies and theories, not just get stuck in the theories predominately applicable in the Western European context. It puts forward a more case-sensitive qualitative approach, often absent in comparative studies on post-communist countries. It demonstrates that transition in smaller CEE countries has been somewhat different and the general picture was more colorful and diverse than it has been revealed by the studies focused only on the big countries.

However, the most important contribution of the book is that it challenges the orthodox theory on transition, which is highly teleological in its nature. The post-communist transition, according to Norkus, has not been just a successful re-Westernization with a 'happy end', but is rather like a huge building with many entries and several exits, and with a complicated network of corridors and rooms within. In order to cast a light on the processes inside the building, we ought to be just more case-sensitive and theoretically innovative than has usually been the norm in transition studies.

## References

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