

economic setting for the analysis would be useful. We take the Lavigne point as stimulus for case studies to be undertaken by our students.

A very good book indeed.

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**Zloch-Christy, Iliana (ed.), *Eastern Europe and the World Economy: Challenges of Transition and Globalization*, Northampton: Edward Elgar, 1989, 291 pages**

In her *introduction* Iliana Zloch-Christy considers globalization as ‘one of the most interesting trends in the world economy (...) The main goal of the proposed book is to assess the transition problems and to establish a basis for better understanding of the directions in which economic and political changes are expected to develop and for assessing their scope’ (1). Questions are raised about the present stage of economic development in Eastern Europe; the main trends in global and regional development strategies and government policies, as well as progress in privatization and foreign investment; the relations of Eastern Europe to international organizations and the European Union; and the challenges to business and government activities in shaping economic development.

Four parts structure the book. The first part concerns the developed economies. In ‘*Charting the Future: Industrial Governance Structures and the Political Economy of High Technology in the USA*’, Thomas D. Lairson takes up the old question of market versus state. He uses his case study of the US (Defense) Advanced Research Projects Agency and its approach to accelerate innovation in semiconductors and computer architecture in the Very Large Scale Integration Program to theoretically reflect on the role of governments as an element in the governance structure of high technology industries.

In ‘*Economic Nationalism and the Global Economy*’ Robert T. Kudrle provides a neoclassical reflection on the development of GNP under restrictions on production factors capital and labor, as well as flows of goods and services. He also takes up issues such as national security, outflow of skilled labor, etc., which have more than a means-end rational dimension and touch the sphere of values and ethics.

The second part of the book considers the Eastern European economies. In ‘*Post-communist Europe: Privatization and the Second Fundamental Theorem*’, John McHale argues that post-communist reformers and their advisors should

also consider distributional goals and effects when evaluating options for privatization, instead of only concentrating on efficiency. He supports his hypothesis by the division-of-labor argument and summarizes: 'When the subject matter of the policy decision is the initial distribution of private property rights, distribution implications should not be ignored' (94).

In '*A Comparative Analysis of Privatization*', Ken Morita and Kazuo Zaiki contrast '*A Chinese Way and a Polish Way*'. The former has taken the dimension of property rights by privatization of state firms and liquidation of inefficient firms, the latter the dimensions of ownership and management formation by engendering entrepreneurs. According to the authors' assessment, it is still too early to decide which of the two ways is more appropriate.

In '*Integration Compatibility of the Hungarian Economy*' Karoly Foldes describes the economic development until 1995 and Hungary's chances caused by European-Union expansion.

The third part of the book considers international organizations and the Eastern European transitional economies. In '*Economic Conditions of Accession of the East European Transforming Economies to the European Nation*', Lucian T. Orłowski supports access of the transforming economies to the European Nation. However, he admits that this will require some time. The five economies need functioning central banks with a considerable degree of independence and sound recording and monetary planning to target the access criteria; fiscal and institutional reforms. He supposes to acknowledge the five countries in one bloc in a non-discriminatory way and oblige them to jointly fulfill the accession criteria.

In '*Eastern Europe and the World Trade Organization: The Present Position and Prospects of Accession*', Josef M. van Brabant considers the history of the postwar international trading system (ITS) as embodied in GATT and now WTO with regard to Eastern European contracting countries. He argues that WTO membership may be a critical component of the strategy of integrating the transition economies into the world economy. Until the end of 1996, eighteen transition economies had negotiated their accession criteria to WTO. Van Brabant stresses the point that these organizations are both economic and political in nature and that, in spite of criticism, the benefits of membership exceed the costs.

The fourth part of the book includes selected aspects and perspectives. In '*Industrial Policy: Does Eastern Europe Need One?*', Iliana Zloch-Christy criticizes both the practiced model transfer of a "free market" economy and over-regulation of post-communist governments without focusing on the main objectives of transformation and without developing programs. Instead, she argues, a successful long-term reform requires a strong state that plays an active role in setting a healthy framework for development. She compares the situation

to post-war develops in the West and recommends a sectoral policy; a temporary state intervention where the reforms caused major hardship; a provision of help to firms to help themselves; a caution not to suspend the function of the markets; and a benefit for the recipients to meet performance goals in order to justify the government support received.

In '*Can Japanese Experience be Useful for Transforming Economies?*' Gabor Bakos argues that transformation has reached a phase now where the economies have to embark on a new growth path. The transformation period had disadvantageous effects for the domestic firms that experienced discrimination by providing favorable offers to foreign capital, instead of protection. So far, transformation has lacked national development policies that particularly include R&D to get foothold in the international economy. Here the lesson from Japan comes in. To achieve this goal the author recommends a 'timed protectionism' of the domestic economies.

In '*Venture Capital and the Shaping of Economic Development*', Franklin Pitcher Johnson, Jr. takes a neoclassical stance. He argues that venture capital alone is insufficient for the provision of a healthy entrepreneurial environment. In the longer run the Eastern-European governments have to provide conditions that encourage entrepreneurial activities and attract investments from the world market without risk guarantees from their national governments.

In '*Comparison of German and Japanese Economic Linkage Policies*' Randall E. Newnham considers the political question why the Helmut Kohl government finally succeeded in getting support from the Russian government in the issue of German Unification, while the Japanese government so far failed in the Kurile negotiations. The author provides the following answer. While the general conditions of economic asymmetry were comparable, German policy towards Russia was always such that the German government de-linked aid programs from the question of unification, while Japan always related the question of Kurile sovereignty to matters of aid. While Newnham analyzes the different policies as two 'linkage tactics', he could also have taken game theory as point of reference. A sociologist would have introduced the terminologies of trust and reciprocity here to come to the same results.

In the final article '*The Political Economy of Transition: the Case of Hong Kong*' Gillian Youngs discusses Hong Kong's nature of economic success in the past; the current changes that are related to the transfer of sovereignty; the factors of political economy affecting the development of Hong Kong into an information society; and (4) Hong Kong's international identity and independence issues for the future.

The book ends with a short *conclusion* of the editor. She summarizes that the different analyses have in common that international relations have become more global, although still centered in the developed economies. The East

European countries seek to find their place in, and participate from, this world economy now. On a whole, one has to admit that in the early 1990s transformation was misconceived as a simplistic model transfer, and policy makers and economists believed in an invisible hand that would lead to growth and welfare. But this view is insufficient. Many authors stress the importance of strong national governments guiding transformation, providing a certain degree of protection to national firms and a healthy climate for the further development of markets.

The reviewed book aims at political economists and political scientists with an interest in globalization in general and Eastern Europe in particular. While a few articles refer to economic models and require mathematical knowledge, the majority of them is more descriptive and derives from political economy, institutional economics and political science rather than economic theory. Therefore, the book is interesting also for scholars of the social sciences. The structure of the book and the content of the different articles most of which have a value of their own, shows that the editor's goal of providing of a coherent book (v) has only partly been achieved, and her summary more reflects her own view than what has been discussed in the articles. The coherence gets lost because some of the chapters are not concerned with Eastern Europe at all, although they could have easily been linked to the region as well, or because they discuss very special issues where there is no direct link to the question of globalization. Another weakness is that no social scientists working on transformation and globalization has been integrated. However, the book title suggests a broader spectrum of authors. To conclude, too much remains the impression that the book is a reader made of papers held on two different conferences: the Annual Meeting of the European Association of Cooperative Economic Studies in Grenoble, 1996; and the International Studies Association Conference on Globalism and Regionalism in Tokyo, 1996. This also shows why the data presented are already more than 5 years old.

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<p><b>Georg Schreyögg (Hrsg.), Wissen in Unternehmen – Konzepte, Maßnahmen, Methoden, Berlin, Erich Schmidt Verlag, 2001, ISBN 3 503 05952 0</b></p>
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Das Themenfeld Wissen in Unternehmen erfreut sich insbesondere unter dem Sammelbegriff „Wissensmanagement“ seit einigen Jahren steigender Popularität und Publikationstätigkeit. Der vorliegende Band, hervorgegangen aus einer Tagung der Wissenschaftlichen Kommission „Wissenschaftstheorie“