Serbia is, thus, a welcome contribution to the field and a much-needed warning of an often forgotten fact that the effects and impact of transitional justice cannot be fully understood without the inclusion of a grassroots perspective and without analysing the empirical data.

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Review

Dorothee Bohle and Béla Greskovits **Capitalist Diversity on Europe's Periphery**

Cornell University Press, Ithaca, New York, 2012, 304 pp.

With the collapse of the socialist regimes and the accompanying environment of radical uncertainty, countries of East-Central Europe had to form a new political and economic order by incorporating institutions of liberal democracy and market economy. In *Capitalist Diversity on Europe's Periphery*, Bohle and Greskovits are showing the variance of capitalism that resulted from the transition process beginning in the 1990s and continuing to the current economic crisis. The theoretical framework of the analysis is inspired by Karl Polanyi's work. Accordingly, the authors placed particular importance on the political elites' efforts to maintain the fragile balance in the triangular relationship between market efficiency, social cohesion and political legitimacy during the transition phase. According to Bohle and Greskovits, postsocialist countries developed three basic types of capitalist political economy: neoliberal (Baltic countries), embedded neoliberal (Visegrad countries) and neocorporatist (Slovenia). In addition, the authors included the category of 'laggard' countries (Romania, Bulgaria and Croatia), which demonstrate a mixture of the first two models and a weak state.

Neoliberal Regime in Baltic Countries

The Baltic countries (Estonia, Lithuania and Latvia) followed a radical path to transition by applying rapid privatization and low capital controls primarily in order to attract foreign investment. At the same time the government constrained the influence of citizens on the process of political decision-making and minimized social compensations for the transition losses. By neglecting its industrial capacities, these countries opened the road to the financial, communication and real estate sector. Here the economic strategy was enabled by its attachment to the idea of nation state building and national identity implying a decisive break with the former socialist regime. Estonia, as the leader of the group, distinguished itself in the international community by introducing neoliberal solutions *par excellence* like the currency board and the flat tax regime. By tying its hands in the industrial, fiscal and social policy the government signaled to foreign capital that money has been isolated from the daily political turmoil. Pensioners, followed by other recipients of social benefits, suffered the most adverse consequences of these policies. A nationalist social contract combined with the typical model of neoliberal capitalism has left a dramatic impact on society, including real wages decline, rising unemployment, widespread poverty and inequality. During the early 2000s, these countries experienced impressive economic growth which, nonetheless, did not reduce social inequalities, but served the 'tunnel effect' function in the Baltic societies. However, as the economic growth was fueled by the domestic demand accompanied by rapid credit expansion, high investment and consumption rates in the construction and real estate sector, its non-sustainability exploded in the latest economic crisis.

Embedded Neoliberal Regime in the Visegrad Group

Unlike the Baltic countries, members of the Visegrad Group (Poland, Hungary, Czech Republic and Slovakia) initially opted for an export strategy based on the existing industrial capacity. Consequently, governments developed ambitious infrastructure programs and offered generous incentives to foreign investors, while at the same time maintaining a relatively high level of social protection funded by an insufficient number of taxpayers. Unlike the Baltic countries and Croatia, these states offered to their citizens welfarist instead of nationalist social contracts. The convergence of economic policies combined with the similarly inherited industrial capacity soon led members of the Visegrad Group into mutual competition for attracting foreign investment. This was further accelerated by the process of EU accession, which has contributed to the golden period of these countries, characterized by a massive influence of foreign investment, reindustrialization, job creation and increased competitiveness. Yet, the past global economic downturns exposed severe political weaknesses of the model, primarily in the Hungarian example.

Slovenian Neocorporatist Regime and Southeast European 'Laggard' Countries

On the other hand, the Slovenian neocorporatist regime proved to be an exception in the postsocialist block, which imposes the question: was this way open to other postsocialist countries as well? According to Bohle and Greskovits, Slovenia has managed to coherently implement labor inclusive policies due to the strong state, unlike Bulgaria, Romania and Croatia, whose weak governments failed to deal with international economic pressures and act in the interest of their citizens. In addition, Slovenia based the regime of centralized labor, capital and government bargaining on the Yugoslavian self-management legacy. One must not forget to mention the impact of the strong workers' response to the first negative transformations, as well as the orientation to export economy, which are factors that cannot be found in other countries. Unlike Slovenia, Croatia's political elite, similar to the Baltic countries, rejected the institutions of the former system and decided to decentralize bargaining and weaken the role of trade unions. Accordingly, trajectories of these two post-Yugoslav economies depart from each other in their monetary, fiscal and social policies. Looking at the available data on the 'laggard' countries, Bohle and Greskovits observe that these societies suffered severe political and economic traumas because of a long term uncoordinated approach to macroeconomic politics and socially expensive attempts to stabilize the economy.

Due to its thorough empirical analysis and the original theoretical contribution to the subject of political economy, this publication is of immense importance for social scientists and policy makers in the field. In a sharp comparative analysis, Bohle and Greskovits are accurately pointing out that, in spite of the undoubtedly strong international ideological and economic pressures, the elites in power bear significant responsibility for the initial transitional choices and expensive heritage negligence. If it is possible to speak about 'positive' aspects of the 'laggard' status in the Croatian case, this can be the opportunity to learn from the experiences of countries with similar profiles. Unfortunately, the tendency to appeal to the obsolete solutions such as a flat tax regime and the stubborn use of identity policies, does not offer a cause for optimism.

Yet, it is necessary to point out that in spite of the existence of noticeable country variation, the current economic crisis presents a significant challenge for the typology developed in this book. More precisely, as none of the models proved to be capable of neutralizing the adverse effects on economy, their governments, in line with international pressures, turned to the solutions of neoliberal auspice in the first place. The consequence is a tendency to isomorphism of economic models characterized by the dominance of market at the expense of social welfare, growing inequality and increased risk of social disintegration.

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