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translation by TANIUCHI Misako, “Teaching Russian in Japan”. Both NAGANAWA and HIYAMA have long studied the Russian Orthodox Church in Japan and Russo-Japanese cultural contacts and they relate interesting discoveries in their essays.

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Satoshi MIZOBATA: *Economic and Management System in Russia; Studies on Firm and Industry in the Soviet Union and Russia*. (Japanese edition), Horitsu-bunka-sha, Kyoto, 1996. 4 + v + 419pp.

I

The essential purpose of this book is to depict the outline of economic and management systems in Russia under the “transition process”. To attain this purpose the author examines the whole processes of formation, reproduction and collapse of the Soviet socialist economic system. Moreover, he examines what the present economic and management system in Russia has inherited and how it has been restructured from the viewpoint of enterprise and industry.

The first characteristic of the book is its detailed analysis of their system. The author has read many materials and does a good job of making the actual state of Russian economy in transition clear. In addition, his analysis based on many years of field research is quite persuasive, this becomes a strong point of the book.

The author assumes four aspects of analysis:

— The first aspect depicts the self-cleansing power and yet vulnerability of the system. In other words, “inertia and friction”. These two words become key

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words in the book.

— The second turns to comparative studies of economic systems. This refers to the differences and similarities between this system and other capitalist economies.

— The third aspect looks at world economic studies, intending to make clear the process of integration and collapse of Soviet socialism. In addition, the book analyzes and tries to interpret new international economic relations.

— The final of these four aspects studies on the Soviet Union and Russian world itself. Through this study the author questions the traditions and history of Russian society. Mizobata really tries to stress the first aspect right throughout the book. In other words, the emphasis is placed upon the continuity and discontinuity of the pre-socialist Russian economic system to the former Soviet economic system.

The second characteristic of this book is that he consistently analyzes the Soviet economic system and the present Russian economy in transition. Namely, this book consists of five parts as follows:

- * Part I ; The mode of economic systems
- * Part II ; The structure and behavior of enterprises in planned economies
- * Part III; Industrial structure in planned economies
- * Part IV; Economic reform and the structure of enterprise
- * Part V ; The composition of the transition in Russia

When we read this book, it is possible to trace the mode of change of economic systems both in the Soviet Union and Russian in historical order.

II

To briefly summarize the first half of this book, chapter 1 of part I should be examined. The author briefly sums up the historical formation process of the Soviet type socialist economic system. How the economic system was formed in the process of industrialization is also taken into consideration. The author points out three historical constraints. These are as follows:

- * 1. The backwardness of Russian society.
- * 2. Isolation; socialism was constructed in one country only.
- * 3. And, the fact that the survival during the cold war was required.

In chapter 2 of part I, the author analyzes the mechanism of a planned

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economy, in both the processes of real goods, and control. Under the centrally planned economy, decision making was also made central. The structure and behavior of wasting resources was formed. Mizobata also points out the enlargement of bureaucratic organization. He deals with the problem of state ownership turning into bureaucratic and sectoral ownership. Furthermore, in this chapter he refers to the private sector, which was outside the planned economy. In the conclusion of part I, the author deals with the problem of international division of labour and integration in COMECON.

In part II, the structure and behavior of enterprise under a planned economy is analyzed. First, in chapter 1, the author makes clear the multifirmity of the state under a centrally planned economy. He also makes clear the "autonomy" and "adaptability" of enterprises. In chapter 2, from the viewpoint of technological development, the author confirms the level of socialization of production in socialist enterprise. The actual state of universal enterprises is taken into consideration. This form of enterprise is typical in a socialist economy and was formed as a result of the behavior of socialist enterprise. In chapter 3, the function of middle and small sized enterprises (which were neglected behind the tendency towards gigantism), is taken into consideration from the viewpoint of the division of labour, in particular, the development of specialization and cooperation in production.

In chapter 4, the situation of sectoral management system is discussed. Sectoral management of the ministries was not necessarily organized in accordance with the rational arrangement of production. The author examines the restructuring trends of the ministries and discusses as follows: "The ministry was a kind of interest group like an enterprise. It functioned as a kind of pressure group within the framework of the planned system. The group for adjustment of interests was conducted among other related ministries. There was a great motivation to maintain it in the sectoral bureaucratic system. At the same time, there was a elasticity towards the changes involved" (p.89)

The decision makers of any enterprise are the state organization, the managers and the labourers. In chapter 5, the regulation of interests among them is taken into consideration. The author concludes as follows: "The harmony among the state management, enterprise managers and labourers was not institutionalized. Because of this, the inefficient tendency in enterprise was strengthened. No plan or rule existed which compelled the actors of management to observe the

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economic rule.” (p.96) In addition, the author indicates the five models in accordance with the different relations among the decision makers in a firm. They are managers whose chief is a director of the firm, further, the state organization and its staff, who are the entrusted owners of the firm, labourers (labour collective), and the stock holding groups. Thus these models are as follows:

- 1; The centralized bureaucracy model.
- 2; The decentralized economic reform model.
- 3; The self-management economic reform model.
- 4; The manager's autonomy model(a).
- 5; The manager's autonomy model(b).

As for these models, the author states as follows: “It seems to me that in the process of economic reform in the Soviet Union, the position of managers as the coordinators of total interests, is enlarged according to the shift from the model 1 to the model 2, 4, 5.” (p.99)

In part III, using the example of a machine tool industry, the author analyzes the industrial structure and the characteristics of production in enterprises in the Soviet Union. The establishment processes of the machine tool industry are analyzed in chapter 1. The development processes are taken into consideration in chapter 2. The level of technological development and the make-up of production in the machine tool industry in the Soviet Union are analyzed in chapter 3. Finally, in chapter 4, the author concludes as follows, “In production, the enterprises outside the control of ministries (i.e. non-specialized enterprises) played an important role in the domestic market. They supplemented the lack of specialized production. In consumption, equipments were utilized at the expense of their quality, to meet the needs of increase in quantity of production as well as attainment of the plan from above. In spite of the decline of the rate of operation on account of excessive stocks, the planning agency heightened its demand. There was an extravagant propensity. Because of this inefficient and extravagant propensity, it became possible to attain quantitative and positive growth in the Soviet economy. However, the motivation to technological innovation which was the core of the development of the machine tool industry was not institutionalized in state enterprise. In short, there was lack of adaptability between the rigid sectoral administration and the level of domestic consumption. A sort of ‘flexible structure’ mentioned above, combined the

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administration with domestic consumption. This led to the unique industrialization in Soviet socialism.” (p.152)

In part I, part II, part III, the author depicts the characteristics of the planned economic system in the former Soviet Union, by focusing on enterprise and industry. While her original structure which he analyzes gave birth to many problems in its economic efficiency, this preserved the existing system against the powerful force of reform. The author makes clear the reason why the former Soviet Union did not succeed in such reforms. In addition, he emphasized these points that the many factors still exist after the beginning of transitional process of the former system because of viable ‘inertia and friction’. In these parts the author wants to make clear why the Soviet economic system has failed to change.

III

In contrast, in part IV and part V, the changing state of Soviet economy since Perestroika started, is taken into consideration. In part IV, he deals with the reforms within the framework of the Soviet system in the period of Perestroika. In part V, the reforms in the period of the system transition after the collapse of the Soviet Union are considered. In particular, the formation of joint stock companies is analyzed from the viewpoint of change in the form of firms. Moreover, the actual state of privatization is very much so taken into consideration from the viewpoint of change in the form of property.

In part IV, chapter 1, the trials of reform in the period earlier than Perestroika are examined. In the background of Perestroika, (the third wave of economic reforms), the author points out, 1: the lack of adaptability to innovation, 2: the excessive investment to production, 3: the excessive militarization of economy, 4: the waste of resources and decrease of national wealth, and 5: the inclusion into the world economy. He states that, “Exhaustion of growth factors, inertia of a traditional growth path and a transition into open economy required the radical reform in the mid 1980s in the Soviet Union.” (p.165)

In chapter 2, the process of Perestroika is traced step by step. Also, in this chapter, the processes of dissolution of state enterprise and the enlargement of the private sector are indicated. The self-collapse of socialist economic system is depicted.

In chapter 3, the author depicts the image of enterprise reforms within the

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framework of State Enterprise Law. He points out the limitations of its design and shows the need for reform. At the same time, he evaluates the point that there was a possibility of introducing market mechanism into the design.

The fourth chapter analyzes the change of enterprise form from the state-owned to a joint stock company. He regards the process from approval of joint stock company to its privatization to be the same as the dissolution process of the system founded by the State Enterprise Law. Finally, as the conclusion of part IV, he points out as follows: "The shift of the center of gravity, of the economic reform to privatization, dissolved the framework of planned economy. On the one hand, it caused the malfunction of the existing structure of reproduction. On the other, it developed continuous tendency from the approval of dividends and the class of capitalists to capitalist economic system." (p.240)

Part V deals with the transition process of the system after the collapse of the Soviet Union. In chapter 1, the economic policy in Russia in transition is surveyed. The author evaluates the "shock therapy" policy, and the process of subsequent policy change. He indicates evaluation on them, from the several points of view. In addition, he analyzes the decrease of production, and inflation as the cost of transition. He compares these processes with those of other countries in transition. Lastly, he points out the uniqueness of the formation process of Russian capitalism as follows. "Marketization in Russia will be influenced by the historical inheritance from the former Russian economy." (p.269)

In chapter 2, the composition of the Russian privatization policy is introduced in detail. The privatization in Russia includes two contrary factors of formation, and restraint. The author examines the "validity" of the privatization in Russia.

Chapter 3 analyzes the restructuring process of state enterprises and the formation process of financial capital in the form of FIG (Financial-Industrial Group). The author points out that new Financial-Industrial Groups are the fittest forms of enterprises to the Russian view on market, and that they are similar to Japanese enterprise organizations.

The conclusion of this part, chapter 4 deals with the change of the behavior of enterprise. The author does not offer any clear conclusions here because the transition process in Russia has not finished. Analyzing the change of the behavior of enterprise and the formation of "the actors of economy", he examines the problem of unemployment as the cost of transition at present. Finally, he

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points out Russian character of collectivism has been changing, but still continues to exist.

IV

This book is a noticeable achievement in that it logically explains the collapse of the Soviet economic system and the difficulties of the transition process. In particular, from the viewpoint of inertia and friction, it makes the complexity of the transition process more easily understood. In this sense, the book examines the uniqueness of the transition process within comparative economic studies. However, this book does not give us a clear conclusion about the future of the Russian economy. In other words, it is clear what the characteristics of the former Soviet system were like and why it has led to the collapse of itself. However, on the other hand, it is not necessarily clear in what direction the Russian economy is going at present. It seems that the reason why the author does not make the direction clear, is that he regards it too early to judge exactly in what ways it will change. However, the book suggests several ways in which the transition could occur.

There are several issues to be examined, which this book offers us. The four aspects with which the author presents us should be focused on.

As for the first aspect, as mentioned above, this book succeeds in making the complexity of the transition of the system clear, taking into account the “enterprise system” from the viewpoint of “inertia and friction”. As for the question of “What is the direction from the past into the future?”, the author replies quite clearly the questioning, “What is the direction from the past?”. However, he avoids giving any concrete answers to the question of “What direction will the future take?”. He intends to put forward what the Russian economy has inherited from the former economic system. He explains this inheritance by using the two words of “inertia and friction”.

The author’s characterization of the former Soviet economic system should be examined. This is discussed in chapter 1 of part I. The author introduces the four points of view which depict the nature of the former Soviet Union. The first view is that the Soviet Union was a socialist society. The second regards the specific historical conditions as important. The third is the view that regards the former Soviet Union as a transition society. The last is that which negates

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the existence of the socialistic character there (i.e. state capitalism). The author's view is as follows: "The former Soviet system was a socialist economic system which was formed under historical conditions. This was a centrally planned economy which was oriented to the industrialization under a dictatorship of mono-party system and a state ownership." (p.11) This view is a valid prescription which is widely agreed with. The author's view that respects the historical conditions needs to be appreciated. However, in spite of not totally negating socialistic nature there, he does not justify the Soviet system necessarily. In this case, his analysis is not ideological but based on the analysis of the actual state. His attitude towards analysis is consistent.

From the second aspect, in other words from the viewpoint of comparative economic studies, the author points out the similarities between Russia and Japan. He has developed the investigation on Financial-Industrial Groups and intends to analyze the Russian economy in comparison with Japan's capitalist system. However, it is regrettable that there is no overall investigation on this point in the book. The author should go into this point in the future. When this point is investigated, it is necessary to take into consideration the factors which led to the economic revival and high economic growth in Japan after the Second World War. Moreover, he should also examine the external position of Russia in world economic circumstances. This understanding will show more clearly the direction of the Russian economy in the future. This point is connected with the third aspect.

As for the third aspect, the investigation of the integration and the collapse of COMECON is well arranged. However, it also has its problems. The scarcity of analysis from the viewpoint of international economic relations in the transition period should be pointed out. Though analysis of international economic relations is not the aim of this book, the author should make the following points clear. In spite of examining the industries in the former Soviet Union, focusing on the machine tool industry, he does not examine so much the industries under the transition process. This fact is quite regrettable, as he focuses only on firms. It is true that there is a small part, which touches on the needed materials, but he does not expand this further enough. It would have been desirable if he had analyzed the changes of the industrial structure in the transition process, in particular, the conversion from the military industry. It seems that this investigation is important as the Russian economy stands nowadays within

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the system of international division of labour. The important task is to examine what will be the leading industry in Russia under the transition of the system.

Finally, the fourth aspect needs to be commented on. In the last chapter, though Russian collectivism is examined, further investigation of Russian collectivism would be desirable here. What gave birth to Russian collectivism? The author seems to regard Russian collectivism as a paternalism under socialism. It is necessary to examine this point from a historical point of view. Furthermore, in comparison with Japanese society, it is an important task to distinguish the similarities and differences between Russian and Japanese collectivism.

The task of comparative economic studies has been shifted from the simple comparison between socialism and capitalism to the comparison among capitalist countries. What will become of the capitalism which is now forming in Russia in the future? It seems that the task of the author's study will be to find this out particularly through the analysis of Financial-Industrial Groups. In doing so, there are many interesting points which will come out, being constrained by the historical characteristics of Russian society. At the same time, there is great meaning and importance in comparisons with the systems of other capitalist countries, in particular, with that of Japan.

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Hiroshi BANDO: *Porando Jin to Nichi-Ro Senso (The Poles and the Russo-Japanese War)*, Tokyo, Aoki-shoten, 1995, 344pp.

The author, Dr. Bando, Professor of Western History at Meiji University, Tokyo, has been researching the modern history of Poland for many years. In 1968, he published *Porando Kakumei-shi Kenkyu (A Study on the History of*