

technical revolution. Instead, after a discussion of economic reforms, he concentrates on (1) the patterns of recruitment and retraining of party members, and (2) the changing relationships between party and government elites. Much of his data supports Fleron's model of an adaptive-monocratic system, in which the party increases its technical expertise in order to retain control over the economy.

Miller argues, however, that the party fears its own obsolescence as well as the ultimate threat of confrontation between technocrats and politicians. According to Miller, another danger is the obsolescence of a "mechanistic" bureaucratic system that is too rigid to allow for technological innovation. He stresses the development of an alternative form of administration, the "organic" model, which provides an organizational base that is more flexible, self-regulating, and horizontally integrated. Both papers would have been strengthened by an elaboration of these models, especially their relationships to theories of social behavior and political change.

Throughout the book, the authors refer to external factors (*détente*, American computer technology, and the Czechoslovakian Spring of 1968) which may have influenced the domestic role of the CPSU and its responses to technological change. Such references help to place the Soviet experience in better perspective. The organic mode of administration is related, for example, to Western theories of systems management, particularly in its focus on the dynamic interaction of goal-oriented structures.

The adaptation of systems analysis to Soviet conditions supports the all-encompassing goal of a highly coordinated and integrated society. Ironically, the organic model, thus conceived, may further stifle individuality while ostensibly promoting innovation. In this sense, the impact of the scientific-technical revolution on Soviet politics can be viewed less as a process of erosion in party authority by technical experts and more as an enhancement of that authority by sophisticated methods of social control.

LINDA L. LUBRANO
American University

THE INNOVATION DECISION IN SOVIET INDUSTRY. By *Joseph S. Berliner*. Cambridge, Mass. and London: The MIT Press, 1976. xii, 561 pp. \$35.00. £23.80.

Aware that his research has been a milestone in the study of central planning, Professor Berliner at an early stage disarms "the analyst who insists on quantitative microeconomic research," for he "must ply his trade somewhere other than on the study of the Soviet economy." Citing with approval the pathbreaking surveys (by Mansfield and by Carter and Williams) of United States and United Kingdom factories in order to identify the springs of invention, Berliner readily concedes that the criteria he applies "fall short of those one would employ in studying the economy of a more open society" (p. 22). Because he does not expect to pass through field investigation, Berliner adopts the other extreme, of which the most sophisticated exemplar is that of NASA in its search for life on Mars: his methodology subjects virtually every Soviet newspaper article, journal paper, civil-service manual, technical monograph, and scholarly book published in the decade after 1965 to the closest scientific scrutiny for evidence, specific or generalized, on what hinders or promotes change of process or of technique. At this end of the spectrum there is no corresponding apologia to the Slavist who—all the more reasonably in an era of intergovernmental *détente*—might have anticipated some informal inquiry on a Muscovite shop-floor or office carpet; neither the preface nor the thousand footnotes tell of any dis-

cussions with former Soviet employees residing in the West (though one distinguished Polish economist, Janusz Zieliński, is acknowledged).

The role reversal between the two outstanding analysts of Soviet managerial economics cannot pass unnoticed. Berliner's *Factory and Manager in the USSR* (1957) drew substantially on "former Soviet citizens then residing as displaced persons in Germany"; David Granick's *Management of the Industrial Firm in the USSR* (1954) was wholly based on Soviet documentation. But while Berliner was confining himself to the published word for the present book, Granick was buttonholing managers and ministers for his *Enterprise Guidance in Eastern Europe* (1976). One particular question which might have been posed, say, to an engineer with experience in both systems is whether "the Soviet R & D man gives and receives information from his colleagues more freely than an R & D man in a capitalist firm" (p. 512), and Berliner (author of the pioneering paper, "The Informal Organization of the Soviet Firm" [*Quarterly Journal of Economics*, 1952]) is not unaware that the views of "insiders," unpublished in the USSR, might detract from conclusions drawn from the most monumental paper work.

Both Berliner and Granick, the leading Western authorities in their field, infused their previous books with a deep understanding of historical influences, political and economic, and Berliner's apparently abrupt start with 1965 is dictated by the administrative change effected by the economic reform. Thus he examines a fourfold system of prices, decision-making rules, incentives, and organization, which actually operated at a specific moment in time and about which Soviet officials and commentators profusely expressed themselves.

The microscopic examination of what could well be every word published in Moscow (there is little from the provincial presses) on each of the four linkages is the substance of the book, rendered all the more valuable by being set in a new dimension of economic analysis. "The approach adopted here is a departure in that it places the enterprise at the center of the decision-making process in the Soviet economy, and therefore coordinate with the place of the enterprise in the capitalist economy" (p. 15). He defends his substitution of the enterprise (with modifications for the introduction of the "industrial association" in 1973) for the "central planners" who are usually the cynosure of Soviet-type economics with reasons that command respect. Such an inversion is not only illuminating in the specific case of innovation—where the enterprise is intuitively a key locus—but also in the context of general management, since the factory director is at the information-bearing end of arguments with the "center" over the draft plan about productive capacity. With eight to nine million prices to establish (p. 393), the planners themselves confess that "what we want is more trust in enterprises" (p. 368).

Price ratios constitute both a measure of, and incentives for, innovation, and no Western work has yet approached Berliner's encyclopedic analysis of procedures and outcomes: the 160 pages that constitute part 2, "The Structure of Prices," is a specialized work of scholarship in its own right. The perceptive elucidation of the manifold frictions and malfunctions in providing resources and conditions for innovation which constitutes the other two parts is most relevant to the economist, but the sociologist and political scientist have much to discover as well. An example might be cited of the detail which, by the rules at least, Soviet authorities seek to preclude technological redundancy: the State Bank is required to satisfy itself "that suitable alternative employment has been found for displaced workers before they grant a loan for an innovation involving automation" (p. 162); this leads to a consideration of dismissal procedures as a whole, showing that, hard as it is for the director to rid himself of drunkards and idlers, "featherbedding" a low-productivity work force is a pervasive practice. Among many political hindrances to technical progress, Berliner concludes that "the restrictions on the movement of persons, both ways, across the

borders of the USSR is perhaps the major reason that the Soviets are not members of the international high-technology club" (p. 515). The author coins a new word to comprehend a system in which a great variety of official permits parallel the expression of options in prices—the "documonetary" economy. In the assessment of the application of the Final Act of Helsinki by the USSR, the West was much exercised by calibration (for example, how to set the liberalization of personal movement and of the media against confidence-building measures of a military or strategic nature). Berliner's book shows that the Kremlin might be wise to call for its own domestic cost-benefit analysis at a time when the growth of national income has sunk to 3.5 percent.

MICHAEL KASER

St. Antony's College, Oxford

ECONOMIC SYSTEMS: ANALYSIS AND COMPARISON. By *Vaclav Holesovsky*. New York: McGraw-Hill, 1977. xiv, 495 pp. \$15.95.

Comparative economic systems is an untidy field. Its scope is imprecise and its theory is rudimentary compared to the rigor achieved in other areas of economics. Despite these serious limitations, several excellent texts are available which effectively articulate the state of the art at the same time that they try to establish how comparative economic systems should best be analyzed. Vaclav Holesovsky's *Economic Systems* is a welcome addition to this growing stock of systems texts. The book is organized thematically in two broad divisions, the first (chapters 1–6) deals with the issue of systems classification, the second (chapters 7–18) focuses on how various systems cope with problems of factor allocation, production, product distribution, full employment, income distribution, inflation, growth, enterprise management, agriculture, and foreign trade.

Unlike some texts which emphasize "pure theory," or others which stress country studies, Professor Holesovsky has written a unitary work that contrasts how diverse market and planned economies attempt to resolve similar micro- and macroeconomic disequilibria. The virtue of this approach is that it provides a coherent framework for comparison, and at the same time demonstrates how alternative strategies of socio-economic engineering express a "human determination to tame, subdue, regulate, stimulate, modify and reform . . . the social forms of economic activities," which the author perceives as a primal quest for social freedom (p. 480). Overall the book is very well written and is enlivened by Holesovsky's personal commitment to his subject matter.

Some difficulties must be noted, however. Unless students already possess considerable knowledge of general economic theory and the institutional evolution of the national economic systems discussed, they may well find the thematic approach too abstruse. Also, it would have been preferable if the way various systems operated had been analyzed as "theories of operation" requiring empirical verification, rather than as being descriptively self-evident. Perhaps the great effort put into resolving the classification problem has obscured the fact that, as a matter of scientific knowledge, we do not know with great certainty how any system really functions behind the reassuring façade of consistent macrodescriptive abstraction. Finally, the book fails to provide an adequate understanding of the global dynamics of each system, that is, how various disturbances affect all aspects of a system simultaneously. This is, of course, a very difficult matter, but it is nonetheless vital for discriminating preferred and nonpreferred theories of systems behavior, as well as for evaluating comparative systems merit.

STEVEN ROSEFELDE

University of North Carolina