

potentially higher income derives from more effort or actual work hours, not from higher productivity.

This overall critique leads to a more modest conclusion relative to the author's: Wage legislation can lead to higher worker income, without reducing profits, on the condition that laborers work a larger proportion of their contracted labor time, and these increased hours of effort dominate their decreased neoclassical productivities. Even more restrictive however, workers' welfare increases only under the allocation condition that the marginal benefit of income exceeds the marginal cost of foregone leisure, whether off-site or on-site.

Combining these conditions, workers must be willing to work "overtime," relative to historical norms for effort, at lower effective wages. Effective wages can be calculated as: $\text{effective wage} = (\text{statutory wage} \times L) / e$. Insofar as an increased statutory wage in the numerator causes increased effort in the denominator, as Altman argues, the effective wage, or pay per actual-work-hour, remains constant. Diminishing returns to effort cause it to decline. Therefore, if inflation and unemployment do not dilute a statutory wage increase and, thus, render it partially cosmetic, then effort does.

—Gary Scott
St. Mary's University, Texas

The Political Economy of Reform in Post-Communist Poland

Janice Bell

Cheltenham, United Kingdom: Edward Elgar, 2001 (243 pages)

The book presents us with a wide panorama of socioeconomic changes that have occurred in Poland since the 1989 turning point together with a penetrating insight into their causes and what impact they have had on political life. The point of departure for the author is a well-known perception that in the beginning of transformational processes, social gains are obvious: "Liberalization policies put an end to shortages and brought full shelves and inflows of previously scarce consumer goods" (6). It is indeed true to say that in post-Communist countries, especially in Poland, people welcomed the first years of transformations with relief manifested, above all, in shops. Full shelves were a telling sign and they acted as a litmus test for correct political actions taken. The majority of the population, however, was not aware of the whole painstaking transitional process they were to go through; that is, necessary social and political reforms, budgetary cuts, redundancy, and the like. Therefore, when transformations entered their second and third stages, they met with "a pessimistic social mood and a growing sense of opposition to reform" (7).

It is obvious, as the author says, that some people will inevitably lose in the transformational changes, "at least in the short run" (9). The tricky point here is how many are going to lose, who is going to lose, and for how long. In Poland, the initial phase of

transition went smoothly because it was preceded by the so-called round table talks, during which reforming parties met with Communist representatives and sought to find a satisfactory mode of coexistence. In that sense the losers were, so to say, well-defined at the outset. Besides, it should be borne in mind that the first Solidarity government had to collaborate with a Communist president. No politician would have dreamt of removing the Communists from power altogether. Nor Communists, for their part, could have ignored the rising dissatisfaction and the impending demand for change.

The main line of Bell's reasoning rests on the presumption that economic changes have had very profound political consequences in Poland (as, perhaps, in any post-Communist country). The big question, the author rightly notices, was whether "the negative economic effects constitute a *permanent* state of affairs, or whether by being an offshoot of transition they are *temporary*" (9). Another interesting diagnosis that Bell has arrived at, going back to the times of one-party authoritarian rule in the 1970s, is that "the Communist party's rule ... primarily legitimized through promises of continuous improvement in consumption and material living standards" has consequently brought about a situation in which "political legitimation through delivery of improved living conditions has remained a constant" (13). I do not think that this is necessarily characteristic only of post-Communist countries, but may equally concern countries with stable democratic systems. The only difference, however, might be that in developed countries this intricate link between politics and economics is hardly noticeable, except in times of crisis, whereas in developing countries people are more accustomed to look to politicians for change. There is another thing here that Bell fails to notice, namely, the notion of civil society—a notion almost totally alien to a post-totalitarian society. Totalitarian regimes leave a vast desert behind, as regards mature ideas of what a body politic is to be like, of what responsibility for the common good means, and of what the State actually stands for.

There is another thing, though, that cannot be left out of an analysis of post-totalitarian regimes that aspires to be complete. It is a generally hostile attitude toward any person who holds political power. As a rule, they are to be mistrusted. To my mind, this sharp dichotomy that cuts through the fiber of a post-totalitarian society is especially apparent in Poland.

Bell's handling of statistical data and the rich material she discovers make her analyses thorough, reliable, and accurate. It also should be noted that a great merit of the book is that the author does not limit herself to mere numbers. She makes attempts at interesting interpretations, so that the reader is not at a loss for an appropriate understanding of processes that are under way here. Bell knows that numbers only manifest some social forces but do not explain them. It is a sociologist's job to do that. And, in this respect, the book fits well into the list of studies that could be called guidelines into the period of transition. The statistical data provided are there to support the overall line of reasoning (e.g., 24–25) rather than the other way around. Figures show well a shift from confidence in government to solve socioeconomic problems to almost total distrust. And Bell gives us the example of Tyminski, a "shadowy émigré," who

had outrun Mazowiecki in the 1990 run for presidential election (although the Office of Research underestimated Tyminski's support). With a masterly expertness, Bell shows us the tensions among political coalitions and any results thereof. One has to notice, though, that the twenty-one postulates signed by the Solidarity and governmental authorities in 1980 were not only economic in nature. The book gives the reader a good insight into many indicators, such as age, religion, and educational attainment, across which, variations in Polish society appear.

The overall picture of changes that are at the moment going on in Poland is astoundingly accurate. The reader may treat the points that I have raised as missing in the book not as a criticism of this otherwise remarkable and interesting analysis but as additional matters worth considering in a future publication (such as the impact of the election of Karol Wojtyla to the papal see).

In any case, the author herself admits that she does not want to say that "Polish voting behavior is completely determined by socioeconomic status"; rather, she wishes "to investigate the extent to which it is" (17). Indeed, people in a post-totalitarian country test governmental efficiency mainly from the economic point of view. If we bear in mind the economically biased starting point that the author has taken, we can only congratulate her on her ability to command all statistical data and how she managed to combine them with such a thorough sociological analysis. Hence, the reader receives an almost complete picture of transformational processes in a post-Communist country.

—Jan Klos

Catholic University of Lublin, Poland

The Price of Virtue: The Economic Value of the Charitable Sector

**Vivien Foster, Susana Mourato, David Pearce, and
Ece Özdemiroglu**

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Like other sectors in the economy, the charitable sector uses scarce economic resources to produce an array of outputs that provide services to members of society. However, the charitable sector possesses characteristics that make it difficult to measure the economic importance of the sector: Many institutions in the sector use volunteers who provide valuable services but are unpaid; the consumers of the services provided often do not pay for the services or pay a price that does not reflect the value of the services to the recipient or the costs of producing the services; and the sector relies heavily on third parties to finance production of the services. The authors of this book attempt the formidable task of measuring the economic value of the services provided by the voluntary sector in the United Kingdom.

The heart of the book is the first five chapters in which the authors describe both the methodology they used to measure the economic value of the charitable sector and