

as editor of the newspaper *Russkii Mir* was an energetic spokesman for Russian participation in South Slav liberation, but the Russian government remained aloof. Actually MacKenzie does not entirely clarify the origin of the *Russkii Mir*'s position. At times he suggests that Cherniaev, as the editor, ought to be held responsible for views expressed in the newspaper even though many of the articles MacKenzie quotes do not indicate authorship. At other times a certain Pisarevskii is mentioned as the author of the newspaper's editorials (pp. 112, 114-5). In any case, Cherniaev's nationalistic views expressed in other places certainly correspond to the position of the *Russkii Mir*. Leaving the newspaper, Cherniaev without approval departed Russia for Belgrade where he encouraged the Serbs by his presence and public pronouncements to expect Russian aid. Thus, he helped push Serbia into a war for which he knew she was badly prepared. As commander of the Serbian army Cherniaev continually interfered in Serbian politics to advance his conservative principles and especially to enhance his own prestige. Finally, he left Serbia in defeat and self-pity, blaming others for his own military incompetence.

MacKenzie, however, develops new issues as well. In Chapter 12 he discusses the importance of Cherniaev's adventurism in producing the Russo-Turkish War of 1877-78. He concludes, rather conventionally, that Cherniaev's presence in Serbia and its heated coverage in the liberal and conservative press in the end damaged the liberal and peace forces in Russia more than the conservative, and this helped push Alexander II into war with Turkey. Chapter 13 ("The Serbian Railway") investigates Cherniaev's attempts in the 1880s to procure a Serbian railway concession for a Russian firm so that Serbia would not turn to an Austrian company and away from the Slavic East. This chapter is a novel contribution to literature on Russian Pan Slavism and it ought to be of interest to anyone concerned with Balkan railway building.

Biographies of Russian conservatives such as Cherniaev are especially welcome since so much of western historical research on tsarist Russia focuses on the intelligentsia, marxism and the revolutionary movement. Taken together these biographical studies provide valuable insights into the maladies and strengths of the gentry at a time of rapid social and economic change. MacKenzie concludes that Cherniaev was significant because he embodied ideals prized by Russians and Slavs abroad and he sought to implement those ideals. He satisfied Russia's need for heroes (pp. 243-44). This reader for one, however, would have welcomed a deeper probing of Cherniaev's career as typical or atypical of the gentry as a whole in the late nineteenth century; for example, how typical for the gentry was Cherniaev's interest in railroad building?, how typical was his repeated shifting in and out of government service?

The research is based on archival materials in Yugoslavia, western Europe and the U.S.S.R., and the above observation aside, the book makes a solid contribution to our knowledge of Russian involvement in the Balkans in the 1870s.

Macalester College
St. Paul, Minnesota

PETER WEISENSEL

David Granick, *Enterprise Guidance in Eastern Europe; A Comparison of Four Socialist Economies*, Princeton, N.J., Princeton University Press, 1975, pp. 505.

Four East European economic systems are covered in this survey; Romania, Yugoslavia, the German Democratic Republic, and Hungary. Although I shall focus on the first

two, as representative of Balkan countries, I can recommend the entire volume as the most comprehensive and up-to-date analysis of economic organization in Eastern Europe published to date. Granick, after 25 years of experience with the study of economy-wide systems of economic management, starting with his classic book on the Soviet system, knows how to ask the most penetrating questions from the material at his disposal and how to distinguish essentials from details in analyzing his facts.

The Romanian study is extraordinary in that Granick was given access to officials at various levels of the industrial hierarchy and to detailed data on the plan fulfillment of enterprises and *centrale* (the middle echelon between ministries and enterprises). No one to my knowledge had been able to conduct interviews with enterprise managers and executives of ministries in such depth before. Nor had anyone been able to collect plan-fulfillment data on such a broad basis (298 enterprises or *centrale* in six ministries in 1969-1970). He was also able to pick up original information on the incentives and rewards proffered to executives, including some of the bonuses paid to top managers of *centrale* and enterprises in seven ministries. The conclusions he comes to are startling. He denies the validity for Romania of the "bonus-maximization model", which at one time or another has been used to describe the behavior of managers in every centralized socialist economy of Eastern Europe including the Soviet Union. According to this model, managers of enterprises, and presumably of *centrale* or associations as well, make production decisions as if they were intent on maximizing the value of the bonuses they can receive for fulfilling and overfulfilling the plans to which they are subject. If the most important bonus they can obtain is for fulfilling and overfulfilling their production plan, expressed in terms of the value of total output they are able to produce, they will concentrate on producing as great as possible a value of output, at the expense, if need be, of costs, labor productivity or other subsidiary plan indicators. Granick argues that "managerial bonuses are too low as a proportion of managerial income, changes in plans during the course of the year are too frequent, and original planning targets are apparently insufficiently taut to lead to the sort of sort suboptimizing behavior which the orthodox model would lead us to predict" (p. 127). In my judgement, Granick's conclusion should be at least provisionally accepted. But we should keep in mind that the Romanian system is not open to systematic inquiry by its own citizens who in turn may not wish or be permitted to tell Western interviewers the entire truth about their own decision-making behavior, or that of their superiors or associates. This does not mean that inferences cannot be drawn from objective criteria such as those Granick uses to buttress his conclusions but that a somewhat different interpretation might be put upon those facts if officials were willing to reveal all their secrets.

One more *caveat* comes to mind that may help salvage the "received doctrine" at least in modified form. Managers may be induced to concentrate on certain key indicators such as the gross value of output, even though bonuses are unlikely to make up more than a small part of their incomes. A manager who is exclusively career-oriented may do so if he believes his superiors judge his performance in terms of these key indicators and will promote him or not accordingly. In my view the basic idea of the "orthodox model", which may assume any one of these many forms, is that whenever superiors have imperfect information about the detailed capabilities of their subordinates, the latter will tend to take advantage of the former by focusing their efforts on objectives that are likely to please those superiors (whether to trigger off bonuses or to increase chances of promotion), to the neglect of certain other objectives—often including costs and quality—that can comfortably be ignored.

Granick's analysis of the Yugoslav system of economic management (mainly based on his study of the experience of Slovenia) is in my view less open to agnostic reservations of

the kind I have voiced about Romania. Yugoslavia is a better known, more open country, and there is far more material available, published by both Yugoslavs and Westerners, to keep the individual researcher from going astray. Here Granick comes much closer in his conclusions to the "conventional wisdom"—expressed in the writings of Benjamin Ward, Branko Horvat, Egon Neuberger, Jaroslav Vanek, H.M. Wachtel, and Stephen Sachs (much as they may differ from each other in details)—than in the case of Romania. He sees the Yugoslav enterprise as operating "in a basically competitive market environment, quite similar to that of Western countries" (p. 413), subject mainly to pressures by political authorities at the community and republican levels. The fairly large differences in workers' earnings, including net-income dividends, among enterprises suggest that the Ward model, which views the enterprises as maximizing net income per member of the collective, may be at least partially valid. If enterprises operate in this manner, there is no incentive for them to expand the size of the collective whenever workers earning less than average could be hired that would add more to total profits than to labor costs, this because these additional workers would be likely to diminish the net income per member. But he points out that there are institutional factors, besides political pressures for equalizing earnings across enterprises, that mitigate the "Ward effect". Perhaps the most important is the tendency of enterprises with free capital funds or with access to bank loans to expand into high-profit sectors, which has the effect of reducing at least inter-industry if not inter-enterprise differentials in earnings (p. 425). Finally, I should say that Granick's discussion of self-management and workers' councils is well informed, balanced and judicious. His main conclusion—that workers' participation mainly helps to assure "much greater access to information about the affairs of the enterprise and the alternatives facing it"—is based on plausible evidence, consistent with the findings of other scholars. If I had to recommend to students a single source on the actual operation of Yugoslavia's self-management system, I should choose the three chapters in this book devoted to the subject.

Yale University
 Netherlands Institute for
 Advanced Study in the Humanities & Social Sciences

JOHN M. MONTIAS

Cornelia Papacosta-Danielopolu, "Organizarea și viața culturală a companiei 'grecești' din Brașov (sfârșitul secolului al XVIII-lea și prima jumătate a secolului al XIX-lea) [The Organization and Intellectual Life of the 'Greek' Compania of Brașov (at the end of the 18th century and in the first half of the 19th century)], *Studii Istorice Sud-Est Europene* 1 (1974) 159-212 with a summary in French.

This is the third study on the Greek Compania of Brașov published by Mrs Danielopolu. The previous two have appeared respectively in *Balkan Studies* 14 (1973) 313-325, and in the *Revue des Etudes Sud-Est Européennes* 12 (1974) 59-78. In this third study the author undertakes a more analytical examination of the politico-economical and intellectual role which this renowned Greek 'Compania' played in Balkan history. The basic advantage of the presentation of Mrs Danielopolu's study is the use of archival material—namely, of the archives of the Greek *kompania* of Brasov, material which we should be aware owes its preservation to the concern of Nicolae Lorga and Eleftherios Venizelos. These two men met at the level of prime-ministers in 1932, and in spite of the great political problems they had to confront took care of the conveyance of this archival material to the Library of the Rumanian