least tolerant of organizations that are weakly allied to the rule of law); South Africans across racial groups tend to think that amnesty produces unfair outcomes.

Yet these dispiriting trends mask considerable, and frequently surprising, variations within and between racial groups. For instance, a greater proportion of blacks than whites "believe that the struggle to preserve apartheid was just" (p. 83). Whites are more attached to the rule of law, but less attached to parliament or the constitutional court. Most Africans oppose amnesty but support the TRC. Most are angry at the government's failure to compensate victims of apartheid, but that does not appear to have undermined the new regime's moral authority. Thus, one of the book's most striking features is its vivid depiction of the complexity and fluidity of political attitudes in transition as South Africans negotiate overlapping identities, affiliations, and perspectives on race, culture, and politics. For this reason alone, it is an extremely valuable addition to the scholarship on sociocultural and political dynamics in contemporary South Africa.

In addition, Gibson finds support for the hypothesis that truth contributes to reconciliation. To test this, he delineates the elements of a "collective memory" of apartheid advanced by the TRC (its "truth"), and measures the degree to which racial groups accept this account of history. Then he tests the acceptance of this truth against the degree to which South Africans express attitudes of reconciliation toward one another. He concludes that the TRC was quite successful in creating a collective memory that acknowledged that all sides in the liberation struggle carried out vile acts. This established a "moderate view of apartheid" (p. 99) that made it easier for all sides to accept the TRC's truth and undermined each side's ability to present their struggle as one of "pure" against "evil" forces. As such, it facilitated reconciliation.

The evidence for a *causal* relationship between truth and reconciliation is not strong, however. Careful not to overstate his claims, Gibson conjectures about the processes whereby truth leads to reconciliation. He suggests that "the truth and reconciliation process may have changed the way South Africans think about each other by creating cognitive dissonance and by mitigating cognitive dogmatism," thereby weakening interracial fear, suspicion, and hatred (p. 158). But alternative conjectures are equally plausible. As much opinion polling in the mid–1990s showed, attitudinal shifts were much messier and drawn out than Gibson's account suggests. In his view, the truth and reconciliation process *brought about* a process that was, in fact, well under way when the TRC was established. Indeed, it is more likely that the TRC marshaled deepening uncertainties and incoherences into an authoritative narrative than that it *created* the cognitive dissonances. Here one wishes for closer attention to the dynamics of the transition that the author's dependence on cross-sectional data disallows.

Among the many arresting findings of the book, two stand out for their broader implications. One, in a nuanced discussion of why South Africans may be skeptical of the rule of law, is the conclusion that "*for South Africans of every race, law seems to be perceived as a mechanism for preventing the majority from getting what it wants.* Those who believe in strong majoritarianism are much less likely to believe in legal universalism" (p. 200; italics in original). This finding provides principled support for the stress others have laid on the importance of protecting minority rights in new democracies (see, for instance, the UN Development Program's 2004 Human Development Report). The other is that even if citizens oppose amnesty, their opinions are substantially moderated by the presence in the process of some form of justice (distributive, procedural, restorative, or—last and least—retributive). As Gibson stresses, *"justice does matter"* (p. 284), but it can be realized in a variety of forms and depends on practical perceptions of fairness within the community—what one might call the popular moral economy (not his term). Gibson does not suggest how we might analyze this, but it opens a promising avenue for further research.

The book's findings also invoke new analytical challenges, notably the need to understand *how* attitude formation occurs in transitional polities. For instance, while its account of the TRC's actual workings is sketchy, the data suggest that this process may have been crucial in cementing its legitimacy and moral authority. In addition, the political dynamics of transition may have a causal impact on the relationship between truth and reconciliation that the book does not probe. And, as Gibson notes, we need to know more about how institutional consolidation occurs than his analysis allows. Taken together, these findings suggest the salience of *process* as a causal factor that is not taken up here. That said, this is a clear, creative, and insightful empirical analysis. Inasmuch as social science research advances through the production of new questions as well as new knowledge, it is exemplary, and will be enlightening and useful not only to transitions scholars and South Africanists but also to students in methodology classes.

Rotten States? Corruption, Post-Communism, and Neoliberalism. By Leslie Holmes. Durham, NC: Duke University Press, 2006. 440p. $84.95 cloth, $23.95 paper.
DOI: 10.1017/S153759270707051X

— Paul E. Sum, *University of North Dakota*

As a veteran of corruption studies in the postcommunist world, Leslie Holmes addresses three fundamental issues confronting students of corruption: the definition and categorization of corruption, the impact corruption has on democracies, and causal factors that account for its rise within postcommunist states. The comparative study focuses on Bulgaria, Hungary, Poland, and Russia. China,

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the author argues, has developed a system akin to postcommunism and is treated in the analysis as far as data permit. The author also refers to other postcommunist cases, when appropriate, and many of the observations and inferences would apply to all democratic countries.

The author crafts a definition of corruption, limited to acts committed by public officials, that is sensitive to both legal parameters and citizen perceptions. In documenting the rise of different types of corruption, the author aggregates a wide range of data. Drawing from media reports, he describes high-level, high-profile cases of actual and alleged corruption in his target countries. He summarizes common low-level forms of corruption, such as traffic police extortion, also based on media reports. The coverage is supplemented with frequency data reflecting public perceptions of the problem as well as aggregate estimates from Transparency International.

In addressing the corrosive impact of corruption on democracy, the author discusses an array of negative by-products associated with corruption including environmental and social impacts. However, erosion of democratic regime legitimacy and a general weakening of the state are emphasized. Here too, frequency data is the basis for the claim. For example, he shows how high percentages of people link confidence in governing institutions and the legitimacy of democratic authority to their perceived level of corruption.

As suggested in the title, the primary causal factor for the rise of corruption is *neoliberalism,* the set of policies that call for a minimal role for the state. He contends that neoliberalism guided the simultaneous restructuring of former communist economies and their political and legal institutions. Postcommunist countries engaged in reforms, such as privatization, without the appropriate regulatory mechanisms or cultural norms, which set ethical guidelines for decision making, increase the opportunities for corruption. The argument continues that the relationship between these reforms and corruption then became bidirectional as corrupt practices inhibited further reform attempts. According to the author, the fallout of this strained process has had negative effects on inflation, unemployment, and income inequality. The result has been an increased sense of social and economic insecurity, less public confidence in state institutions, and ambivalence toward economic markets. A crucial piece of the story for the author is the coincidence of the communist transitions with the dominance of neoliberalism in the democratic world, Thatcherism and Reaganomics being emblematic. Neoliberalism, interacting with the nature of communist states, left few choices for policymakers other than to pursue radical reforms. In this sense, path dependency shaped the choices made with regard to reform, which increased opportunities for corruption and reduced the state's ability to effectively combat it.

The argument is not a rebuke of neoliberalism, however. Holmes maintains that neoliberalism is the most effective method to overcome the legacy of communist rule. Therefore, his recommendations to combat corruption are not to reverse these reforms but to strengthen democratic decision making and processes. Postcommunist states can do much to help themselves through legal and legislative means that increase transparency and public involvement in the process. The international community needs to play a more supportive role, which would include consistent condemnation and rewards, such as access to markets and financial incentives.

Readers will be impressed with the amount of detailed examples of corruption for the cases under consideration. The result is a useful typology that does not sacrifice the complexity of the concept. The central argument regarding neoliberalism has intuitive appeal and persuasively asserts the need for instilling efficiency within state institutions within the process of reform. The author reaches the sensible conclusion that neoliberal reforms must incorporate a process of state building that focuses on strengthening democratic institutions.

Along with these strengths of the book, there are also weaknesses. With regard to the increasing trend of corruption, the author may place too much stake in the public perceptions of the problem. As the author acknowledges, in certain instances public perceptions far exceed actual experiences with corruption. The coverage of actual and alleged cases of corruption through media reports is comprehensive, but may reflect media decision making and postcommunist political competition as much as an actual trend of increased corruption. Related to identifying the trend, the author distinguishes between high- and low-level forms of corruption early on, yet this distinction is lost later in the narrative. However, the distinction may be critical to understanding the negative impact of corruption on regime legitimacy. For example, it is plausible that citizens associate low-level types of corruption with traditional strategies of survival and not blame the regime.

Concerning the central causal assertion regarding the relationship between neoliberalism and corruption, the author relies on circumstantial evidence. Few attempts are made to identify the process or agency through which the consensus on neoliberalism influenced leadership decision making. For example, unlike studies of neoliberal reforms in Latin America, no "Chicago Boys" are identified. Moreover, no serious effort is made to tease out important dimensions of neoliberalism to express variance among the cases and then relate these to the measures of corruption developed. Thus, the primary causal relationship that the author asserts remains untested.

The author raises other causal factors that might contribute to both corruption (perceptions of corruption) and the loss of regime legitimacy. An intriguing example is the increase in income inequalities, which relates to neoliberal

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policies but is an anticipated result of economic liberalization. Again, no attempt is made to test these other causal relationships. Despite this, the study offers a plausible explanation for corruption that should stimulate research agendas.

Why Race Matters in South Africa. By Michael MacDonald. Cambridge, MA: Harvard University Press, 2006. 245p. $45.00.
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— Robert Compton, *State University of New York, College at Oneonta*

Given that more than a decade has passed since the initiation of the "new dispensation," a book about the present and future of South Africa that reassesses connections with the past seems appropriate. In this book, Michael MacDonald investigates the evolution of racism and racialism and their linkages to state legitimacy and governance. This empirical examination of South African politics and political economy is well ensconced in the literature. The author provides a rigorous case analysis within the literature of race and class.

MacDonald's main thesis—that the ideology of the apartheid regime consisted of racism built on racialism, and that the latter is still the organizing basis of politics and economy in the country today—provides an important lens for examining the difficulties of the African National Congress (ANC) government today as it struggles with legitimation. The government's approach, based on the ideology of nonracialism, is recognition of the fact that race remains a fundamental characteristic of contemporary South African politics.

African identity, as MacDonald notes, is something that developed due to apartheid's racialism and racism. As he states about the early years of the ANC, "[T]he nation for the ANC was an outcome made by historical experiences, including encounters with the white who introduced the notion of 'nation' to Africans. The ANC's nation, in other words, came to exist through the participation of the (white) 'other'" (p. 100). As Steve Biko, noted "we are oppressed because we are black" (p. 121). Thus, black nationalism, as derived from the action of white racism, contradicts the principles of nonracialism. The ANC's power bases are based on racialism, according to MacDonald. ". . . Africans constitute the electoral majority only on the condition that they conceive themselves racially and only on the condition that their peoplehood as Africans is supreme over their other identities" (p. 126). Therefore, it follows that government policies, such as Black Economic Empowerment (BEE), are racially motivated and necessary to legitimize a "capitalist system" and get the "buy-in" of the majority population.

MacDonald notes aptly that there is a crisis of legitimacy in South Africa today. Beyond tying the crisis to ANC's abandonment of socialism and the embrace of neoliberal capitalism, he evaluates the record of the ANC. While acknowledging a mixed result of economic and human development in the country since the end of apartheid, he states that "South Africa under ANC government has achieved economic and development success" (p. 147). He also notes that the International Monetary Fund recommended neoliberal Growth, Employment, and Redistribution program represented a fundamental philosophical shift in the party's economic thinking in contrast to the 1990s (p. 144). That said, he points to the population growth in South Africa as a major contributor to the problem of poverty (p. 149). It should be noted that the issue of the successes and failures of the ANC government is currently ongoing. There are other more critical perspectives about the socioeconomic record of the ANC government based on a Marxian analysis, including that by Patrick Bond (2005), and David Selden, and Leo Zeilig (2005).

The ANC economic system, MacDonald notes, may have been able to promote the development of middle class blacks, but it has not been successful in creating a black African capitalist class. He states that by 2002, BEE consortia owned less than 2.2% of the firms capitalized on the Johannesburg Stock Exchange (p. 155). Thus, President Thabo Mbeki has made the creation of black African capitalists, a clearly racialist notion, top government priority and has asked poor blacks to agree to "sublimating their particular interests as poor people to the general interest of the African people" (p. 156). In other words, the good of the black African entrepreneur is necessarily good for the black majority. In MacDonald's analysis, racialism trumps class according to his analysis and the ANC is moving in a culturalist direction (p. 168). South African capitalist legitimation, according to MacDonald, has had to overcome its racist past and racialism is the current antidote to counteract that. In the South African context, "racialism 'lubricates' democratic capitalism" (p. 172). The end result: a democracy and a capitalism that are less vigorous and competitive (pp. 185–86).

Overall, *Why Race Still Matters* makes a cogent and important contribution to understanding the dynamics of state-society relations in as complicated a context as South Africa. Perhaps its major contribution that politics and economics in South African politics have become reracialized then requires us to reexamine the implications for class-based politics "to the left of the ANC." In particular, the intersection of class, race, and environmental justice in the social movements sprouting up throughout the country attests to the importance of examining new forms of progressive politics in South Africa. How will the government address the problem that more than 70% of the South African citizens feel that the ANC government does not represent their interests? The conflicted and incongruous basis of state legitimacy in South Africa rests on the tenuous juxtaposition of officially defined and articulated notions of racialism and nonracialism, on one hand, and an embrace of socialism and capitalism, on the other. This juxtaposition represents

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