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Claude Ménard and Élodie Bertrand, eds., *The Elgar Companion to Ronald H. Coase* (Cheltenham: Edward Elgar, 2015), pp. 368, $210 (hardcover). ISBN: 978-1-78254-738-3 (hardcover), 978-1-78254-799-0 (e-book).

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Ronald Coase (1910–2013) is undoubtedly one of the most important and influential economists of the twentieth century, if not of all times. This clearly legitimizes the publication of a *Companion to Ronald Coase*. But the counterpart of fame, importance, and influence is that Coase's much-cited work has already received a lot of attention, and been the object of (probably) thousands of pages of scholarly studies. This could mean that all that could be written of interest about Coase has already been written, and that there is no room left for anything original about Coase—even under the form of a general presentation that could be one of an Elgar Companion. This is not the case, and this is why this book deserves some attention. Claude Ménard and Élodie Bertrand have done a great job in editing this volume.

Certainly, its twenty-six chapters are not equally interesting, insightful, and original; in addition, they do not all seem to fit into a Companion to Coase. But those who still think that Coase wrote two or at best three articles—"The Nature of the Firm" (1937), "The Problem of Social Cost" (1960), and "The Federal Communication Commission" (1959)—should definitely read the book. They will learn that Coase also worked and published, among other things, on the cobweb model, on other public utilities, on TV and radio, and on lighthouses. More precisely, *The Elgar Companion to Ronald H. Coase* includes chapters that, as it should be the case with a Companion, cover the most well-known aspects of Coase's work—property rights, contracts, firm and organization theory, the environment—but also that discuss some that have been overlooked, not to say ignored. This is precisely why the book is original. But one should not read the book for what it is not: a book *on* Coase. It is rather a book about the domain of economics that was, more or less directly, inspired by Coase. From this perspective, it is not really surprising if the more complete picture of Coase the book gives is not a *new* picture of Coase: this Companion depicts Coase in a way that is not different from the way he has been depicted for decades.

Indeed, most of the chapters—there are very few exceptions—seem to take for granted and to adopt that old, presupposed (a sort of template) image of Coase. Reading the book, one gets the impression that Coase's name remains associated with, and his analysis reduced to, a certain number of concepts or even catchwords: realism, empiricism, blackboard economics, theorem, and bargaining, among others. Then, it is as if any mention of one of these words is enough to establish a link with Coase and, complementarily, as if any study on Coase should consist in applying them *without questioning* them. A paper on bargaining or on realism must be Coasean in some way, and a paper on Coase has to speak of bargaining or realism. This is not a criticism leveled at the chapters themselves. After all, Coase was famous and famously introduced certain concepts or used and defended their use so frequently that, in the end, the tendency to equate a name with these concepts is neither a surprise nor necessarily problematic. These are shortcuts that are not infrequently used—in particular, in economics—and one understands that certain chapters could have used them to make analytical and scientific progress. For instance, this allows the application of a so-called Coase framework to various situations that Coase did not analyze. However,

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sometimes, the link between these words and concepts and Coase's work are tenuous and remote. This was evidenced by a lot of recent works on Coase, and, therefore, one wonders if it remains really Coasean to apply them. It would have been interesting and useful for a Companion to go beyond such a tendency and clarify some of these associations between Coase and those concepts/words.

Much more problematic is the treatment of the Coase theorem. For many years, the differences that exist between Coase, "The Problem of Social Cost," and the "Coase theorem" were ignored, and it was accepted that the Coase theorem was invented or (worse) popularized by Coase in "The Problem of Social Cost." A surprisingly large number of references could be cited that defend this view. One knows that it was not the case. Coase eventually took his distances with the Coase theorem. And, quite recently, important historical works have established and documented that the theorem was not invented by Coase but by George Stigler (1966, p. 113), of whom there is only little mention in the book, and, unfortunately, there is no mention of this scholarship and of this very important piece of history in the book. There is one only reference to Stigler and the Coase theorem (p. 11) and another one to the fact that "The Problem of Social Cost" offers no theorem (p. 346). Nothing more. Then, as a consequence, one has the impression that either there are no differences between Coase and the Coase theorem or that these differences do not matter; even that Coase could have defended the theorem. Then, to go one step further, this also gives the impression that Coase was close to Stigler, closer than he really was. From this perspective, it is not clear why it can be said that he departed from the standard approach in economics, or, as Mary Shirley (ch. 1) rightly puts forward in her essay, that Coase was an "iconoclast" and "a rebel to the end." This is clearly reinforced by the lack of any discussion of the importance of Coase's links with the old Chicago School of Economics, with James Buchanan and Warren Nutter—of whom there are almost no mentions in the book—and the University of Virginia (see Boettke and Candela 2014, 2016; Marciano 2103, for instance).

Another aspect of Coase's work about which some clarification would have been useful relates to the (in)famous assumption of zero transaction costs. Certainly, Coase did start "The Problem of Social Cost" by examining the "case … when … the pricing system works smoothly (strictly this means that the operation of a pricing system is without cost)" (1960, p. 2), but thirteen pages after, he dismissed it as "unrealistic" (1960, p. 15). Indeed, he insisted, the operations that are necessary "to carry out a market transaction … are often extremely costly" (1960, p. 15). Actually, the idea that "there are costs of using the pricing system" (Coase 1992, p. 715) came to him as early as in 1932 when he was working on "The Nature of the Firm." And he stuck to it, repeating that "it is impossible to understand the working of the economic system … [w]ithout the concept of transaction costs" (Coase 1988, p. 6). To him, this is crucial: there is no alternative other than "to introduce positive transaction costs explicitly into economic analysis" (1988, p. 15), to study "the world that exists." Therefore, Coase clearly did not put these two assumptions on the same footing, but, on the contrary, established a hierarchy between them. And yet, most of the contributions seem to assume that these assumptions were equally important for Coase and that he was also the thinker of an unrealistic world characterized by zero transaction costs. This is not only misleading, from an historical perspective. This also leaves us with a tension between methodological claims about Coase's realism and the importance he could

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have paid to a world with no transaction costs: how could he have claimed for a realistic approach, if he indeed made such claims, and analyzed a situation that is totally unrealistic? It would have been important to have had these points clarified to give a more complete but also a more accurate picture of Coase. One may regret that the opportunity was not taken to use a lot of recent historical scholarship to straighten out Coase's image. Thus, when reading this book, one must also keep in mind that, on the whole, the book tends to reinforce the view on Coase that most economists have and are used to, rather than to propose a view closer to what Coase wrote.

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It is now more than forty years since the beginning of the Austrian revival, and despite its somewhat wobbly beginnings, Austrian economics has matured into a vibrant research program, albeit one that remains at odds with the mathematical/econometric core of contemporary economic analysis. Increasingly, the work of latter-day "Austrians" is concerned with the institutional and cultural setting within which economic activity takes place. During the last four decades, young Austrians have explored affinities with others who share some of their core assumptions and concerns in economics, such as public choice, constitutional economics, and experimental economics, as well as with insights from fields such as sociology, evolutionary psychology, history, and philosophy of science. One need only look at the table of contents of any issue of the *Review of Austrian Economics* to see how different it looks from most other economics journals.

Difference, however, comes at a price. Eschewing mathematics and econometrics leaves Austrians open to the charge of being "unscientific." Furthermore, since Austrian writings largely demonstrate the benefits of unrestricted markets vis-à-vis government management of the economy, they have been subject to repeated criticism that they

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