found in the Low Countries, not in Italy or Italian writings. Oddly enough, "late seventeenth-century Holland" (p. 199) does enter the story, belatedly, but it is clear that Mafreida is not in his element (the influential works by the De La Court brothers, which would have been apt to mention when discussing the seventeenth-century of obsession with population in context of political economy are not even mentioned, and neither is Temple's).

In addition, in these later chapters, Mafreida does not respect the cognitive and conceptual tensions between measurement of quantity and direct observation that he had diagnosed earlier in the book—this leads him to miss important debates among the characters he discusses within the Royal Society; there were huge controversies between those who advocated the mathematization of nature, and those who advocated a so-called natural historical approach. Even as late as *Wealth of Nations*, Smith is remarkably reserved about so-called political arithmetic.

In conclusion, this is an ambitious, learned, and fascinating book. It is full of interesting observations and will provoke the attentive reader to revisit texts and assumptions about these. It will also inspire new research. We should all be grateful to the administrators at the University of Milan, who have "found financing for an English translation." It is only to be regretted that Ashgate seems to have been unwilling to spend additional money on hiring a good copy editor; the published text is sometimes unintelligible, almost certainly due to the fact that the translator stayed too closely to the original Italian.

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Richard E. Wagner, *Deficits, Debt, and Democracy: Wrestling with Tragedy on the Fiscal Commons* (Northampton: Edward Elgar, 2012), pp. 208, $99.95 cloth. ISBN: 978-0857-93459-8.

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We know that forty-nine of the fifty US states are running deficits despite being constitutionally required to balance budgets. How is this possible? In *Deficits, Debt, and Democracy*, Richard E. Wagner wrestles with this and other questions in regard to the fiscal commons. He relies on particular methods different from the standard public finance literature that provide an insightful approach centered on emergent orders and process-oriented reasoning. Literature dealing with public finance often focuses on microeconomic and mathematical elucidation on the optimal level of taxation, its impact on the economy, and the most efficient way to collect it. Wagner argues that such sophisticated accounts on how government should administer its finances cannot fully capture the financial distress faced by many governments today.

According to Wagner, most of the theorems and policy descriptions in financial discourse are best suited to a would-be and supposedly omniscient and benevolent dictator, and tend to be written from that perspective. This theoretical approach was strongly influenced by economist Francis Edgeworth. Wagner's book takes a different perspective to this tradition of public finance and argues that the analysis of democracy, the budgetary process, and the manifold agents involved in that process need a different theoretical framework, a framework that is closer to a catallactic approach to economics, as James Buchanan advocated in his 1963 Presidential Address to the Southern Economic Association. Following Buchanan, Wagner makes the case for an approach focusing on emergent orders, individual interactions, and the process within which individuals interact. Within public finance, already Knut Wicksell's 1896 work "Finanztheoretische Untersuchungen" had a similar perspective. Wicksell was interested in what kinds of decisions are being made by non-omniscient political agents under different sets of rules. Wagner, obviously influenced by this tradition, describes the fiscal policy process using a broader conception of a homo economicus, who neither has full information nor is fully rational, and whose actions are embedded in, and influenced by, an institutional framework. The author's non-mathematical style of writing and reasoning makes his theoretical and methodological points relatively easy to access. Nevertheless, the level of abstraction and the methodological and theoretical points demand the reader's full attention.

The theoretical dimension Wagner brings to the discussion is centered on the word "process." The book depicts political agents as bargaining, log-rolling, and interacting with each other and with a wide variety of interest groups (including bureaucrats, lobbyists, voters, other politicians, and NGOs). The wider array of influential agents and decision makers adds new theoretical facets to the budgetary process. The approach differs from the common view of the politician's role as the maximizer of an objective welfare function, a producer of public goods, or caterer to the median voter. Wagner argues that new theoretical and empirical insights are to be gained through adopting process-oriented reasoning. The focus on the median voter as determining political agents' behavior and the depiction of government as an acting agent have their place. But Wagner also points out the blind spots of these theoretical instruments. Elections determine who will get into power, but do not necessarily reflect policy outcomes. The competition over funds between politicians and other agents after Election Day is often insufficiently illuminated but highly significant for the fiscal commons. Wagner's approach is able to capture these interactions between different actors within the political process. The case for the process-oriented approach is based not only on its sheer realism, but also on its potential insights into a political economy of budgeting, deficit finance, and democracy as a whole.

Wagner particularly stresses the ignorance of most public finance research with regard to the nature of the budgetary process. In Wagner's analogy, a budget is not like a parade where one single director has power over the behavior of those making up the parade; democratic processes are more open-ended and resemble a busy pedestrian street. The busy pedestrian street is orderly but not consciously designed; it emerges through the interactions of people pursuing individual teleological agendas. In the same sense, budgetary processes are the result of an order and not of organization. Wagner's style of social-theoretical reasoning is influenced by spontaneous-order arguments by Adam Ferguson and Friedrich A. von Hayek as well as by the Italian School of Finance. The focus of the Italian "fiscal sociologists" on exchange relationships in different institutional settings influenced especially James Buchanan and subsequently the Virginia School. Wagner uses the Italian School of Finance as a starting point, and elaborates on the metaphor of the fiscal bazaar in which agents seek the funding of specific enterprises and political agents who have the power to enforce them. This crucial insight and the differences to the market system are only one level of Wagner's political economy. He also connects and integrates the fiscal commons with the market system and the voting public. The "tri-planar topography of political economy," as the author calls it (pp. 38–41), depicts the interconnectedness of the different spheres and locates the fiscal commons as susceptible to influences from all three areas.

Public finance literature stresses the importance of the impact of institutional structures on the budget. However, this is only one part of determining the budgetary outcome; different agents, their incentives, political entrepreneurship, and the circumstances of time and place are relevant factors that have to be considered too. These factors, when mapped out, result in a budget that looks much more diverse than the result of the logic of choice within a single-agent, focused model. Wagner states that the literature mostly focuses on the narrow part of the budgetary process that is directly traceable to the actions between Congress and the president. The bargaining and decision making on what the money should be spent on all happen prior to the enactment of the budget. Unfortunately, the latter constitutes the major part of the fiscal iceberg not generally observed in economic research. With Wagner's book, we now have a theoretical ice pick to pierce through the obvious outcomes on the surface to get a glimpse at the processes behind it.

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Sylvie Rivot, *Keynes and Friedman on Laissez-Faire and Planning: Where to Draw the Line?* (London: Routledge, 2013), pp. 208, $140. ISBN 978-0-415-66676-3.

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Individuals are inevitably more nuanced than summaries of their views make them seem, and the brighter the individual, the deeper the level of nuance. John Maynard Keynes and Milton Friedman were very, very bright, so the nuance goes deep. Reading a textbook or a lay article that discusses Keynes or Friedman generally provides little evidence of that nuance. Somehow, Friedman was a one-dimensional supporter of the market, and Keynes a one-dimensional supporter of government control. That is far from the truth, as most academic economists know. Thus, it is useful to explore the writings of past economists in reference to current problems to remind us of the