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 nuance and subtleties of thought that are inherent in the "greats." Sylvie Rivot's *Keynes and Friedman on Laissez-Faire and Planning* does that. It explores the writings of Keynes and Friedman in reference to modern problems, and draws out lessons that might be learned from that exploration.

As Rivot notes, first and foremost, the "book is an exercise of text reading" (p. 2). Her text reading focuses on the underlying logic of Keynes's and Friedman's positions as they relate to systemic stability and the role they see for the state. She notes that both Keynes and Friedman "are true liberals in the political sense of the word, highly preoccupied by the preservation of our basic freedom" (p. 3). The goal of her exercise is to "rethink the critical issues of crises" (p. 4), which she sees as the center of modern policy debates.

The book consists of five chapters and an introduction, in which she lays out her goals and summarizes her argument. In Chapter 2, "Keeping the Keynesians Off-stage," Rivot correctly, in my view, concludes that Friedman's critique of Keynesian economics was not of Keynes's economics but of the neo-Keynesian economics that evolved from it. This conclusion seems correct, but not all that novel among historians of thought who specialize in this time period.

Chapter 3, "Private, Public and Semi-public Institutions," is more interesting. It explores Keynes's and Friedman's views on institutions and the state. Rivot points out that Keynes's views were premised on a belief in the ability of collective institutions to behave efficiently, and that Friedman's views were premised on the belief that collective institutions were not to be trusted. She argues that this difference led Keynes to focus on second-round real effects of a financial collapse and Friedman to focus on first-round monetary disturbances.

Chapter 4, "Keynes and Friedman on the Employment Policy," turns to a discussion of how monetary and fiscal policy might be used to bring about stability in a decentralized market economy. Rivot points out that Keynes and Friedman are much more similar in their views than popular views would suggest. Both share a distrust of short-run devices to fine-tune the economy; both take structural unemployment and incentives into account; and both believe that macro policy is much more complicated than managing interest rates.

Chapter 5, "The Functioning of a Monetary Economy," explores how the differences and similarities in Keynes and Friedman lead to different policy conclusions. Rivot argues that for Keynes, a key role for the state is to drive long-term real expectations, without which the economy would be unstable. For Friedman, the long-run economy is assumed to be stable, and the state should focus on providing a stable competitive framework that anchors nominal expectations.

In her concluding chapter, Rivot explores lessons that we can learn from this exploration. A primary lesson she draws is that some policy devices have to be implemented, and some state interventions are needed. It is not a debate of rules vs. discretion. In this chapter, she considers where the line should be drawn between laissez faire and planning, and initially contrasts Keynes with Friedrich Hayek, and then considers Friedman's consideration of the Hayek/Keynes debate. She concludes that both Keynes and Friedman accept that some line is needed, but do not tell us where to draw the line.

There is much to like in this book. A careful reading of the texts is always useful, and the book exhibits a careful reading of Friedman and Keynes. But, in the end, I was left feeling somewhat unsatisfied. The first reason is that many of Rivot's conclusions are similar to those that historians of thought specializing in Keynes and Friedman have already noted. For someone steeped in the history of thought tradition, there are not a lot of new interpretations here. That means that the novelty of the book comes in the simultaneous consideration and juxtaposition of Keynes and Friedman. But, as she notes in the beginning, this is a strange juxtaposition. Keynes and Friedman never went one-on-one. They were of different time periods—Keynes did all his theoretical work before World War II and Friedman did his in the 1960s and 1970s. These were very different times, with very different problems. This means that she must put in proxies for them—for example, Friedman is discussed in relation to Abba Lerner, and Keynes is discussed in relation to Hayek. But because of the nuance of thought of both Keynes and Friedman, proxies are problematic. Since both Keynes and Friedman adapted their message to the times, this makes it hard to compare messages and draw conclusions. She notes this problem and, as I mentioned above, and in Chapter 2, concludes that Friedman's critique of Keynesian economics was not of Keynes's economics but of the neo-Keynesian economics that evolved from it. But that conclusion also makes the juxtaposition of the two problematic.

A second reason I felt unsatisfied is that the writing was difficult to interpret. For example, on page 145, Rivot states. "It is noticeable that almost anyone today would call for 'fine-tuning'; only stabilization is still considered relevant as a policy issue." I think that the "anyone" in this sentence is a typo, and that she meant "no one," but that is not my primary concern. My primary concern is with the ambiguity of the second part of the sentence. What distinguishes "stabilization" from "fine tuning"? She suggests that "during the 1950s and 1960s, stabilization meant anti-cyclical policies, i.e. schemes designed and calibrated 'once and for all' such as a constant growth rate of some monetary aggregate advocated by Friedman" (p. 156). But my read of Lerner is that he was also referring to stabilization—his functional finance was a set of rules. The issue was not between fine tuning and stabilization; the issue was the coarseness of the stabilization.

There were also a few places where my read of the literature is different from hers. For example, she states that the message of the Paul Samuelson and Robert Solow 1960 article was that "government is able to 'purchase' lower unemployment through demand policy provided that ongoing inflation was tolerated" (p. 23) My read of their paper is that their policy discussion was much more nuanced; they specifically stated that policies could cause the Phillips Curve to shift, and that it would be wrong to assume the Phillips Curve will remain unchanged (Samuelson and Solow 1960, p. 193). I agree that Samuelson and Solow have often been wrongly interpreted as Rivot interprets them—as suggesting a long-run trade-off between inflation and unemployment. But a careful read of their article suggests that that is a misinterpretation.

Despite my misgivings, as I said above, I think Rivot's interpretations of the views and Friedman and Keynes are largely correct; both Keynes and Friedman are much more nuanced than lay expositions of their views would have one believe. Thus, the book is a useful read for economists who still think of Keynes and Friedman as the caricatures of them in the texts and the popular press.

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Maki Umemura and Rika Fujioka, eds., *Comparative Responses to Globalization: Experiences of British and Japanese Enterprises* (Basingstoke and New York: Palgrave Macmillan, 2013), pp. 280, $105. ISBN 978-1-137-26362-9.

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This collection of essays, edited by Maki Umemura and Rika Fujioka, presents a series of historical case studies on firms' responses to the challenges of globalization. The focus on Britain and Japan, as stated in the clear-cut introduction by Umemura, is particularly useful, as the two nations have come to embody two paradigmatic cases for several strands of literature in political economy, including those concerned with the relationship between culture and economic strategy (p. 5) and the so-called varieties of capitalism (p. 4). There is little doubt that a rigorous analysis, firmly grounded in firms' histories, can provide important insights to deepen understandings based on the (almost stereotypical) distinction between British liberal-market economy and Japanese coordinated-market economy, provide new arguments to think of the 'cultural distance' argument, and rescue the agency of specific firms and industries from oblivion.

The book contains several laudable features. A first element that makes it interesting reading is its variety, both at the level of time period covered, spanning from the eighteenth century to the present, and of presenting analyses of industries as different as groceries (Jon Stobart), wire cables (Aashish Velkar), international finance (Andrew Smith), cotton spinning (Eugene K. Choi), oil (Minoru Shimamoto), jute (Carlo Morelli), compact vehicles (Hiromi Shioji), retail (Rika Fujioka), and pharmaceuticals (Maki Umemura, Judy Slinn). The other interesting aspect of diversity in the chapters is related to the way in which 'globalization' is described. Rather than choosing and sticking to one of the uncountable definitions of globalization produced by social scientists in the last decades and briefly reviewed in the introduction (pp. 2–4), the authors have had the opportunity to actively engage with what has undoubtedly been a multi-faceted process, presenting different features in different places at various points in time.

Given the richness and variety of the contributions collected, it would be impossible to provide a fair summary, no matter how brief, of each chapter's methodology, content, and findings. The present review, then, focuses on only some of them, to the unfortunate exclusion of others. Considered in its totality, the volume provides arguments both in support of, and against, the 'varieties of capitalism' and the 'cultural distance' framework: this is made even more interesting by the fact that, as noted by Umemura, the two literatures are often in direct contrast with each other. In his analysis of Japanese cotton spinning in the 1880s and 1890s, arguably "at the forefront of Japan's economic modernization" (p. 99) during the Meiji restoration, Choi provides arguments that back up the 'varieties of capitalism' interpretation of Japan as a coordinated-market economy. Specifically, he does so by having a close look at the management of technology (an aspect that was neglected in the traditional varieties of capitalism literature), and the role