REFERENCE

Samuelson, Paul, and Robert Solow. 1960. "Analytical Aspects of Anti-Inflation Policy." *The American Economic Review* 50, 2 (May): 177–194.

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.

doi: 10.1017/S1053837214000674

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 of the *bussan* (trading company) in importing Western know-how to Japan and coordinating acquired knowledge, thus allowing the quick development of a successful spinning industry. In contrast, Morelli's study of British jute presents a more nuanced view. By recalling the crucial importance of government support in favoring the development of strategies of diversification in the declining jute industry (p. 142), and thus surviving in the face of increased global competition, the author stresses the potential of industrial policy in favoring firms' transitions from one sector to the other. According to Umemura, this can be seen as a reminder that "the degrees to which economies subscribe to a certain variety of capitalism have shifted across time, and differ according to sector" (p. 16).

Among the essays dealing more explicitly with the 'cultural distance' argument, Andrew Smith's work on investment decisions in the Anglophone New World (1860 to 1914) is worth noticing. Through painstaking archival research, Smith convincingly shows that beliefs about race and ethnicity prevailing among late nineteenth-century British investors led them to allocate more funds, in spite of lower expected returns, to countries that were perceived as being culturally closer to England. Smith's essay is a valuable example of how to reintegrate cultural explanations in historical accounts based on rational choice theories. Furthermore, the book has to be praised for the remarkable amount of fresh empirical evidence presented, sometimes in the form of innovative use of historical sources. The latter aspect is most clearly exemplified by Stobart's essay, which, assessing "the importance of empire in shaping the consumption of groceries in eighteenth-century England" (p. 25), largely employs, among other sources, contemporary cookery books.

In spite of these valuable contributions, the reader gets the impression that the "comparative" notion evoked in the title should have been dealt with in a more explicit way. Since the focus of most chapters is either Britain *or* Japan, the task of establishing an explicit comparison between these two realities is left almost entirely to the reader. A genuinely comparative dimension can be found only in a minority of the essays, most notably Shioji's appraisal of Japanese market strategies in the field of compact vehicles. In this case, the comparison is not limited to Japan vs. Britain (which is not present), but it involves a good deal of quantitative evidence on China, India, Russia, and United States.

Given the nature and scope of this journal, one is left with the question: does business history matter for historians of economics? The short answer is yes, it does. Although this might be the case for a variety of different reasons, only two are stressed here. First, while historians of economics have devoted much attention to economists' thinking about the role of the entrepreneur (for example, Mark W. Frank [1998] and Keith Jakee and Heith Spong [2003]), entrepreneurs themselves are too easily dismissed as mere "practical men." One does not necessarily need to have read Joseph A. Schumpeter or Israel Kirtzner to see the entrepreneur, among other things, as a *visionary*, and, as such, an agent motivated by a distinctive idea of what the economy is and how it works. The closest contribution to this theme to be found in this volume is Shimamoto's appraisal of Japanese entrepreneur Sazō Idemitsu, the founder of Idemitsu Kosan Co., Ltd. Aiming at achieving "higher productivity whilst keeping market competition firmly outside the company" (p. 127), Idemitsu developed and implanted in his oil company a distinctive managerial philosophy based on the five principles of "Respect, Paternalism, Independence and Empowerment, Denial of the Greedy, Pursuit of Wealth" (p. 126). It is easy to see that the visions of some entrepreneurs can be understood as complex systems of thought in which moral, economic, and practical considerations interacted. Polemically, one might add that the case for studying the intellectual history of entrepreneurship is reinforced by the fact that, in some cases, the ideas of some entrepreneurs have had a greater impact on real economies than those of academic economists. The fact that the historiography of economics is becoming more inclusive and more willing to look at the business world is shown by that fact that the theme of the 2013 meeting of the European Society for the History of Economic Thought was indeed "Economic Theory and Business Practice: Their Relations through the Ages."

Second, it is too easily forgotten that the firm is a formidable producer, disseminator, and user of economic knowledge, and a privileged site to observe the economy at the micro-level. Although historians have noted the role of professional economists in the creation of a corpus of knowledge that came to be routinely used in enterprises (see, for example, Kaufman [2000] on the applied economics roots of human resource management), the opposite direction of transmission has remained underexplored. The production of measuring, accounting, and heuristic devices by firms is a theme that is likely to foster a beneficial dialogue among historians of economics and statistics, historians of accounting, and business historians. The closest contribution to such concerns to be found in this volume is Velkar's analysis of standardization in the late nineteenth-century British wire industry. In what probably remains one of the best essays in the book, Velkar claims that the adoption in 1880 of a set of standardized numbers to measure wires' diameters emerged as a response against the increasing international (especially German) competition. On this insight, Velkar builds a fascinating narrative of "standardization through consensus" (p. 60): the creation of a common metric was the outcome of a strategic interaction involving the buyers, the state, and the firms. The latter group adopted a "mixed strategy of standard setting through markets and committees (e.g. standard setting organizations)" (p. 63). Although a set of numbers used to define the diameter of wire cables is a very simple example of a measuring tool, the strategic interplay between state, firms, and other agents in the creation and stabilization of measuring tools is something that can be explored with reference to other, more complex, indicators in the history of economics and statistics (see, for example, Thomas A. Stapleford [2009] on the consumer price index), perhaps creating a common basis upon which business historians and historians of economics can understand the historical evolution of quantification.

Admittedly, this volume, with a few exceptions, does not go a long way in helping historians of economic ideas to see entrepreneurs or firms as a valuable object of inquiry, but to judge it on this ground would be unfair. The intention of the editors was "to shed light on the diversity of perspectives on the responses of British and Japanese enterprises to globalization" (p. 2), and provide an historical yardstick against which the literatures on 'cultural distance' and 'varieties of capitalism' could be reassessed. In this sense, the book is entirely successful, and certainly represents a very welcome contribution to business and economic history.

Gerardo Serra
Department of Economic History
London School of Economics and Political Science

REFERENCES

Frank, Mark W. 1998. "Schumpeter on Entrepreneurs and Innovation: A Reappraisal." *Journal of the History of Economic Thought* 20 (4): 505–516.

Jakee, Keith, and Heith Spong. 2003. "Praxeology, Entrepreneuership and the Market Process: A Review of Kirzner's Contribution." *Journal of the History of Economic Thought* 25 (4): 461–486.

Kaufman, Bruce. 2000. "Personnel/Human Resource Management: Its Roots in Applied Economics." In Roger E. Backhouse and Jeff Biddle, eds., *Towards a History of Applied Economics*. Annual Supplement to Volume 32, *History of Political Economy*. Durham and London: Duke University Press, pp. 229–256.

Stapleford, Thomas A. 2009. *The Cost of Living in America: A Political History of Economic Statistics, 1880–2000*. Cambridge and New York: Cambridge University Press.

Thomas Cate, ed., *Keynes's General Theory: Seventy-Five Years Later* (Cheltenham: Edward Elgar, 2012), pp. x + 348, $149.95. ISBN 978-1-84542-411-4.

doi: 10.1017/S1053837214000686

Seventy-five years have passed since the publication of John Maynard Keynes's *General Theory* (1936; hereafter *GT*). Over this period, evaluation of the work has gone through a dramatic series of ups and downs, and for every *GT* anniversary—the tenth, twentieth … —books have appeared that evaluate it from various points of view. The book reviewed here marks the seventy-fifth anniversary.

Two points might be worth mentioning in advance. To begin with, almost all the papers see *GT* as containing essentials for understanding the present economy or reconstructing macroeconomics, so the book is "Pro-Keynesian." Second, the book presents diverse points of view on *GT*.

The book is composed of fifteen chapters. We will identify four types on the basis of common features, adding very brief comments due to lack of space.

TYPE 1: CHAPTERS FOCUSED ON *GT*

Focus on Institutions

In Chapter 1, Angel Asensio maintains that *GT* provides a wealth of concepts on institutions and equilibrium. Institutions and conventional behaviors endow an economic system with structural stabilizers such as law, regulations, and monetary contracts, which contribute to its convergence toward equilibrium at any given time, while excluding intrinsic indeterminateness. This anchoring works through attraction of the market interest rate towards a conventionally expected interest rate, the resistance of money wages to a fall, and so forth. He attributes the chapter to Post-Keynesianism (it reminds me of *GT*, ch. 18–3, in which four stabilizers for underemployment equilibrium are mentioned).

Particular Stance

In chapters 2 and 12, each author puts forward his own interpretation, keeping his distance from both New Keynesians and Post-Keynesians.