

whether a more nuanced view on social preferences might be needed. What is also missing is the role of affection and emotions. Power is also a category left out of the focus on preferences. However, despite these minor points of criticism from another disciplinary camp, the book is clearly

an eye-opener in terms of understanding what motivates, governs and influences people's choices and behaviour.

Steffen Mau
Humboldt-Universität zu Berlin
steffen.mau@hu-berlin.de

REGULAR REVIEWS

Cornel Ban: *Ruling Ideas: How Global Neoliberalism Goes Local*

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301 pp.

Almost a decade after the start of the 2008 global financial crisis we know that those who predicted a revival of Keynesian ideas in public policy-making have been overly optimistic. Even more, where Keynesian ideas have been used in crisis management, they did not survive a swing towards neoliberal policies, which has either partially or fully reversed attempts to constrain the limits of the market. Both supranational institutions and national actors have endorsed neoliberal ideas, in a bid to ensure credibility with financial markets at the expense of welfare and labour-market protections. In Europe, recent attempts to restore what is called the European 'social model', such as the adoption of the European Pillar of Social Rights, pale when compared with the enforcement of fiscal discipline delivered through the European Semester. This 'strange non-death of neoliberalism' [Crouch 2011] was explained by the remarkable ability of neoliberal ideas to adapt to local circumstances and acquire local flavours that allow elites to promote and apply them in policy-making. The tendency of neoliberalism to survive through local hybrids is its greatest strength but also a

feature which makes it difficult to capture in a coherent theory. Thus, even though research that seeks to define what is neoliberalism and what are the mechanisms through which it models itself to local conditions is not new, conceptual fuzziness remains.

Cornel Ban's book addresses some of the existing shortcomings in the literature by providing a dynamic definition of neoliberalism that can travel across different political and economic contexts while allowing for a systematic exploration of the political trade-offs that contribute to the emergence of varieties of neoliberalism. The first chapter serves as the book's theoretical framework. It is a rich critical analysis of the body of economic ideas that form the bedrock of neoliberalism as well as of the factors that determine the propagation of neoliberal policies across states. Ban adopts a revisionist definition of neoliberalism which focuses on the policy trade-offs faced by the local translators of neoliberal ideas during moments of crisis. According to Ban, a policy is neoliberal if, when presented with alternatives, elites opt for safeguarding credibility with financial markets, ensuring trade and financial openness and emphasising internal and external competitiveness. Local hybrids are born when additional ideas are grafted on these core goals, swinging the pendulum

either towards trying to *embed neoliberalism* through policies such as maintaining some labour-market protections or downward redistribution through progressive taxation or towards *disembedding* it through labour-market deregulation, flat taxes, and privatisation of the welfare state. The factors that facilitate the diffusion of neoliberal ideas and cement the articulation of these different versions of neoliberalism are the intellectual pedigree of local economists and their links with the transnational economics profession as well as their access to the corridors of power, the institutional cohesion of governments in power, and the coercion exercised by international financial institutions during critical junctures.

The following chapters trace the historical development of the two versions of neoliberalism by comparing Spain, which developed an embedded version, with Romania, where neoliberalism has acquired a disembedded flavour. Chapters 2 and 3 uncover the roots of the two regimes by analysing how economic thinking developed in post-Franco Spain and Ceausescu's Romania. In Spain, neoliberalism entered policy through the central bank's Research Service, which in the 1980s became an elite research institution. The Service was populated by economists whose thinking emphasised monetarist ideas such as sound finance and a focus on inflation as the main culprit for Spain's economic woes. Importantly, neoliberalism was implemented while paying attention to selected Keynesian ideas about the distribution of the tax burden or ordoliberal ideas about the social market economy. This editing process was facilitated by the revolving doors between the central bank, academia, and the government. Furthermore, institutional cohesion ensured that the embedded neoliberal blueprint remained dominant through successive governments.

By comparison, Romania began its transition from state socialism with what

Ban calls a 'neodevelopmentalist interregnum' during which the government attacked the neoliberal transition economics dominant in the region at the time and opted for emphasising the role of industrial policy as an instrument to gain competitive advantage while resisting calls for privatisation and full exchange rate liberalisation. However, the interregnum was short-lived and the neodevelopmentalist strategy collapsed in 1996 with the coming to power of a right-wing government. This political change, Ban argues, had two consequences. First, it paved the way for neoliberal economists to take central decision-making positions within the central state apparatus. Unlike their Spanish counterparts they were less connected with international economic debates and ultimately became proselytisers of a disembedded version of neoliberalism which was heavily biased against anything state run. Second, it enabled the implementation of a radical version of neoliberal economic reforms which was endorsed by international financial institutions. From this point onwards, Romanian neoliberalism underwent several cycles of radicalisation, during which the country implemented several policy experiments including a flat tax, pension privatisation, and labour-market deregulation.

Chapters 3 to 7 present a fascinating analysis of the intellectual foundations of economic thinking in the two countries backed by an almost surgical attention to empirical detail. They trace the roots of Spanish and Romanian neoliberalisms to the intellectual histories of the economics profession in the two countries. In Spain, German ordoliberalism had a moderating impact on neoliberal ideas and gave local translators a critical apparatus to use when assessing alternative policies and their potential effects on society and the economy. The relative openness of the Franco regime allowed economists to tap into transnational networks and acquire strong inter-

national credentials. This was not the case in Romania, where Ceausescu established one of the most repressive political regimes in Europe which punished any form of dissent. The result was that Romanian economists incorporated neoliberal ideas unsystematically and became more likely to espouse radical policy positions.

International ties also played a role in moderating or radicalising local ideas. In Spain, German social democrats contributed to the moderation of neoliberal ideas by financing local institutions which enabled a social reading of ordoliberalism but also prevented the Spanish socialists from moving towards Eurocommunism. These moderating ties were absent from the Romanian context where, lacking a critical mass of solidly trained professional economists, pushed public policy under the control of amateur economists who established local think-tanks with portfolios which combined a rhetoric about good governance with support for radical neoliberal policies.

The final two chapters discuss the resilience of neoliberal ideas since 2008 and show that a combination of external coercion and local ideologies contributed to the consolidation of the two varieties of neoliberalism. In the case of Spain, the revival of Keynesian ideas was short-lived and came under pressure from the European Central Bank, which leveraged the vulnerabilities of the Spanish financial system in order to dismantle some of the policies that compromised the core of embedded neoliberalism. The Spanish labour-market reform is a case in point. In Romania, international institutions were preaching to the converted. The Romanian version of austerity was one of the toughest in Europe and entailed wage cuts across the board, defunding of the social security system, as well as one of the most radical labour-market reforms undertaken by a government in response to the crisis. These reforms were endorsed by local neoliberal elites

who opposed any policies that would embed local neoliberalism.

This is essential reading for anyone who is interested in the intellectual history of neoliberalism and on how neoliberal ideas get to be translated and implemented across different national settings. Although the book is based on a historical analysis of two countries, its theoretical framework can be applied or adjusted to fit other contexts. The empirical material (interviews, archival research, personal biographies) is used in an intelligent way to convincingly show how key decisions were undertaken in critical moments. In some of the chapters there is a descriptive network analysis of the ties between institutions and personal biographies which serves to show how key decision-makers were connected through various institutional links.

The book opens several important questions for future research. The first one refers to the internal coherence of the two neoliberal regimes. In the case of the embedded version of neoliberalism, the flat tax received strong political support while pension privatisation did not. Ever since its inception in the early 1990s, pension privatisation was a contested reform and remains so nowadays. The Romanian private pension system survived the crisis and did not have the fate of the Hungarian or Polish systems only because the IMF included its maintenance on its list of conditionalities. Thus, although in broad strokes the disembedded version of neoliberalism seems to be a coherent system, its articulation across various policy fields is less so. The second question relates to the sustainability of the two regimes. In both cases, the social consequences of the neoliberal reforms passed in response to the economic crisis have been disastrous: Spain witnessed the highest increase in long-term unemployment in Europe since 2008 combined with a massive increase in the number of precarious jobs, while Romania lost a large share of its labour force to Western Europe while becom-

ing fully dependent of foreign capital and having one of the least generous welfare states in Europe. These developments beg the question of how sustainable are the two neoliberal regimes and what political responses are likely to emerge in response to moves towards disembedding markets. Recent political changes in Central and Eastern Europe point towards some possible answers. Third, the extent to which international financial institutions such as the International Monetary Fund (IMF) shifted towards more moderate policy positions remains an open question. Recent empirical evidence [Kentikelenis et al. 2016] shows that although the rhetoric of the IMF has changed, its policy advice has not.

Dragos Adascalitei
Sheffield University Management School
D.Adascalitei@sheffield.ac.uk

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Carly Elizabeth Schall: *The Rise and Fall of the Miraculous Welfare Machine: Immigration and Social Democracy in Twentieth-Century Sweden*
Ithaca, NY, 2016: Cornell University Press, 245 pp.

This book is a timely contribution to the current discussion about the condition of social democracy and the welfare state. It provides a theoretically well-argued historical exposé of the evolving national boundaries of Sweden, renowned for both its welfare system and its transformation from one of the most ethnically homogenous nations in Europe to one of the most heterogeneous.

The book covers the interplay between ethnicity and Swedish social democracy from the rise to power of Sweden's Social Democratic Party in the inter-war period to the party's—or perhaps rather the movement's—crowning moment in the form of a fully established People's Home in the post-war period, to the end of social-democratic hegemony in the early 1990s.

The rise and fall of the welfare home Swedish social democracy built is currently an almost conventional narrative set-up in political punditry as well as historical and social scientific research literature. Schall also covers the advent of the 'end of the People's Home' discourse of the early 1990s in the later chapters of the book. Schall, however, approaches the question of rise-and-fall from an innovative angle that has only been addressed in piecemeal fashion in the academic literature on the subject: the ethnification of the People's Home project and the challenges faced by Swedish social democracy when 'non-Swedes' began knocking on the door of the model welfare state and moving in.

The introduction places the book in the middle of one of the major theoretical topics in current and historical welfare-state research: what is the relationship between ethnic homogeneity and welfare regimes? Schall convincingly argues that the case of the United States is exceptional and therefore cannot readily be transposed to other cases such as Sweden. The theoretical insights on the intersection of ethnicity and welfare gleaned from the American case can, however, be used to explore the way in which the Swedish welfare state was ethnically constituted and responded to increased heterogeneity.

The book's two aptly named parts, 'Homogeneity in the People's Home' and 'Heterogeneity in the People's Home,' include two and three chapters, respectively, as well as two short 'interludes'. The interludes sum up and discuss the analysis of preceding chapters, and then bridge the