

bution to society. Restoring the dignity of work might, therefore, require not only that we treat everyone's contribution with the respect it is due, but also that we change the kinds of occupations that exist in our economies and the tasks that are required in most jobs, both private and public. The first step in answering these questions might be to determine what we define as the common good after all.

Here Sandel's answer is somewhat disappointing. Telling those who are suffering under the current system and are looking for change that we need to find a common solution to change our narrative will not bring them much solace. Considering Sandel's description of the United States as a deeply divided society that is morally unprepared to handle big challenges, the task of redefining its common good looms very large and potentially unattainable. Sandel does not offer specific ways of bridging

that gap, and most of the policies that are proposed in the book already seem too controversial to be successfully and sustainably implemented in the current political climate of the United States. However, to those in politics who claim to be interested in fighting for the common good, alleviating social exclusion, and overcoming the divide, this book can act as an important wake-up call. Stop preaching a meritocratic society that might be neither attainable nor desirable.

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## REGULAR REVIEWS

**Krisztina Arató, Boglarka Koller and Anita Pelle (eds): *The Political Economy of the Eurozone in Central and Eastern Europe: Why In, Why Out?***

New York 2021: Routledge, 308 pp.

In a Europeanisation process that has generally unfolded as an 'ambivalent force for change' [Deltiel and Kirov 2020], monetary integration has without a doubt been the thorniest challenge. The post-2008 Eurozone crisis has even revealed, above and beyond an East-West difference, that opinions can diverge quite sharply even within the respective clusters of member states. Arato, Koller, and Pelle zoom in on the political and economic factors that have

shaped CEE states' options for joining, attempting to join, or expressly rejecting membership in the Eurozone (p. 2). Across 12 dense chapters, this co-edited volume argues specifically that CEE views on the Eurozone cannot be understood from a purely economic point of view, as they are warped in numerous ways by 'political gains and losses, the identity of the citizens, the status of democracy and the attitudes of other stakeholders' (p. 2). To begin with, the editors highlight that diverging CEE attitudes can in no small part be explained by changes in the nature of the Eurozone itself (p. 4). For instance, if the acceptance of Greece as a Eurozone member in 2001 signalled a 'soft and open' approach, later changes in crite-

ria introduced stricter conditions for CEE membership (pp. 4–5). Furthermore, the reforms pushed in the aftermath of the crisis by a *de facto* German leadership signalled to former applicants such as Hungary and Poland that the Eurozone is in fact less stable than it had appeared to them before their accession and this made it less appealing (p. 5). On a deeper level, however, this is also not straightforward. The entire CEE region is dependent on European and, more poignantly, German capital, which means that monetary integration could be driven from above by stakeholders that wield enough leverage to influence policymaking (pp. 5–6). Similarly, given the EU’s multi-layered structure, shifting perspectives on the relevance of monetary integration for the overarching ‘European identity’ may also be reflected in CEE responses (p. 4). Such factors, further complicated by the global crisis, have led to diverging developments in CEE going virtually unnoticed, with membership or the lack thereof being at best partially explained (p. 5).

Following this line of thought, the individual chapters in this book uncover the nuances of the co-constitutive relationships between agency, structure, and historical-political contingency in forging options for or against monetary integration. Let me provide an overview of four key chapters, two from the theoretically minded Part I and two from the empirical analysis offered in Part II: Pelle’s international political-economy perspective on Eurozone membership in the post-socialist economies, Tabajdi and Vegh’s chapter on the global crisis and CEE economic performance, Borowski’s study of Poland’s radical shift regarding Eurozone accession, and Ban and Volintiru’s comparative analysis of Bulgaria and Romania.

For Pelle, the crucial observation is that while European accession may act as a catalyst that generates the political will and societal impetus to catch up, it is no substitute for the lack of policymaking experi-

ence and institutional structures required for such a complex process (p. 13). For instance, the CEE states needed to define and pursue new monetary regimes, but they had to do so without threatening a crippled previous system (p. 14). Intimately linked, EU accession also required the introduction of structural changes, such as making the central bank independent and inflation control, changes that had not been made and were painful for transition economies that require more flexibility (p. 14). What is more, while such changes were not *ipso facto* Eurozone conditions, the Maastricht Treaty bound CEE states to full monetary integration once the convergence criteria were met (p. 16).

This complex background makes it easy to understand why arguments for and against accession both have strong constituencies (p. 18). For instance, early accession was envisaged as giving further impetus to small economies largely dependent on FDI, as it would further ease access to credit markets (p. 18). On a more discrete level, given that liberalisation itself is not homogenous [Appel and Orenstein 2018], various facets of monetary integration produce different responses – for instance, while all the transition economies strove for some type of inflation control, not all CEE states sought a euro-centred exchange rate (pp. 18–20). On the other hand, reluctance can also be linked to the specific characteristics of the transition economies. Concretely, given the currency appreciation that was an inherent part of the process of upgrading the post-communist economies, pegging the national currency to the euro may in fact have only been rational once the catching up had been achieved (p. 18). In this sense, if in the Czech case fixing the exchange rate to the euro was the natural corollary of reaching EU-level GDP per capita, in the Hungarian case competitive devaluation itself was the key to achieving at the very least an EU level of exports-to-GDP ratio (p. 18).

According to Tabajdi and Vegh, understanding the impact of the 2008 crisis in CEE requires disentangling the legacy of multiple recessions during the transition (p. 81). For instance, the increasing dependency on FDI and rising debt meant that the economic shock was widespread, affecting consumption, investments, trade, and the labour market itself (p. 81). Over the long term, this meant that the post-2000s partial convergence that was part of the EU-accession process was unsustainable (p. 82). Clearly, while there were variations between countries, the overall trend seems to be that privatisation, deregulation, and de-industrialisation led to a decrease in production with multiple socioeconomic consequences (p. 82).

Against this intricate background, the global and Eurozone crisis naturally had very different spill-over effects. For instance, GDP declines were highest in places such as the Baltics and Slovenia, with credit-based growth occurring in the pre-2008 period (p. 85). This was not, however, the case in Poland, the only country in the region that did not actually experience a recession, and Bulgaria, whose over-reliance on public debt made the drop in GDP less spectacular (p. 85). A crucial insight across the board is that the increase in intra-EU export and import activities after 2008 acted as a kind of buffer, whereby, despite the waxing and waning of EU-15 trade, CEE countries were able to use intra-EU exports to kick-start recovery (p. 88). Another common denominator was that since growth relied crucially on FDI in the entire region, the Eurozone crisis meant the loss of a crucial engine of growth (pp. 88–89). Last but not least, the crisis pushed all the CEE countries towards excessive deficit procedures, which triggered automatic stabilisers and structural reforms in public finances (p. 89). Although there were some commonalities in terms of overarching effects, given the intricacies of each specific transition path, individual

countries resorted to *sui generis* solutions that layered tax cuts, active labour market policies, austerity, and/or fiscal consolidation (p. 93).

In the Polish case, Borowski identifies three distinct discursive-institutional phases of the debate for and against joining the eurozone: a mostly theoretical debate on (potential) convergence through euro-accession that went on between 2000 and 2008; the 2008–2019 crisis period when the floating exchange rate, as opposed to pegging the rate to the euro, was hailed as the tool that allowed the country to weather global turbulence; the currently still emerging debate driven by the pandemic that is primarily focused on the disadvantages of losing policy autonomy and the advantages of easing access to credit and markets (p. 183). The common denominator is that global changes have revamped the nature and scope of both the benefits and disadvantages of Eurozone integration (p. 183). The first phase unfolded within the theoretical framework of optimal currency areas, with most participants in the debate agreeing that, over the long term, monetary integration would lead to a decrease in the risk premium (p. 184). This then ushered in a range of growth avenues – an increase in foreign trade, a drop in interest rates and decreased transaction costs, easing FDI etc. (p. 184). At the same time, while scholars concurred on the theoretical advantages, they also highlighted a potential problem: the need for a very specific political consensus that may not be easy to achieve. Specifically, introducing the euro would require constitutional changes regarding the functioning of the national bank *and* a politically driven fiscal tightening that could clash with previous sources of growth such as productivity in tradable goods and prices in non-tradable sectors (p. 184).

Clearly, the 2008 global crisis reshaped the debate, as the depreciation of the zloty made it necessary to reconsider

the long-term benefits of monetary integration (p. 186). The crux of the issue was whether adopting the euro would deprive Poland of the autonomous monetary policy that most saw as the central tool that had allowed the country to weather the global crisis (pp.186–187). The key debate revolved around identifying the role floating exchange rates would play in maintaining internationalisation in the form of FDI inflows and in growing exports (pp. 186–187). Yet, while empirical studies generally seemed to show that floating exchange rates on their own were not enough to explain Polish resilience to the crisis, Covid-19 introduced a high degree of uncertainty, making political debates on monetary policy much more indeterminate (p. 188). The outbreak of the pandemic made it even more difficult to say, both at the theoretical level and in political debates, whether a floating exchange rate is a clear tool for stabilisation (p. 189). Because the national bank relied centrally on reducing interest rates almost to the point of turning negative, it is not fully clear whether losing autonomy over monetary policy would still be accompanied by the costs that occur in the ‘normal’ times of positive interest rates (pp. 188–189). In turn, lowering interest rates raises questions about the national bank’s ability to stimulate demand, as asset purchase becomes limited in both quantity and scope (pp. 189–190). On a broader level, the asymmetric effects of the pandemic seem likely to give rise to a debate on whether countercyclical monetary policy is a reliable tool (p. 191).

For Ban and Volintiru, while Romania and Bulgaria are not at all as similar as conventional studies claim, they nonetheless serve as useful heuristics to raise a number of questions facing the entire CEE region vis-à-vis Eurozone integration (p. 254). Disentangling the nuances of ‘growth regimes’ and respective implications for monetary integration, Ban and Volintiru detail how and why the early 1990s’ path-dependent

legacies and specific partisan trajectories led to diverging options for Eurozone accession. In the Bulgarian case, the hyperinflationary shock of 1997 not only paved the way for a discursive-political acceptance of a fixed exchange rate, but also gave rise to the currency board, which effectively created an institutional system without monetary policy autonomy (p. 258). Given the Bulgarian currency board’s successful navigation of an extremely turbulent period, the broad political consensus was that Eurozone integration was needed, and dissensions related only to the technical aspects of policy (p. 258). So strong was this commitment that it persisted even in the face of a lagging economy and sharp decrease in employment rates (pp. 258–259).

Conversely, in Romania the outward political consensus for monetary integration is in fact fraught with many underlying tensions (p. 262). Specifically, the crux of the issue is that Eurozone membership would entail structural reforms that stymied the impetus of wage-based growth (pp. 262–263). The crux of the issue is that while inflation and/or deficits can be controlled from above to meet accession criteria, the structural transformation needed for de facto convergence would imply a costly and not readily achievable transition from over-reliance on low value-added manufacturing sectors (p. 264). Essentially, as a dependent market economy with a wage-lead growth model, Romania appears, in the eyes of both politicians and many in the central bank itself, to be ill-equipped to benefit from the euro (p. 267). Furthermore, while the country has a larger internal market that would mitigate some of the problems foreseen in the Bulgarian case, the huge rural-urban disparities would not in fact allow the domestic market to accommodate the pressures of monetary integration (p. 267).

Summing up, this book impresses with its level of analytical clarity, which sheds new light on the otherwise hotly debated

field of monetary integration. By drawing on various perspectives in international political economy and on a wealth of empirical data, all the chapters unearth new causal relationships among the multiple policy aspects of Eurozone integration. As such, the book sends out the strong message that above and beyond the core of static tenets derived from the Maastricht criteria, Eurozone integration can only be understood from the contingent perspective of political actors.

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**Partha Dasgupta: *Time and the Generations: Population Ethics for a Diminishing Planet***

New York 2019: Columbia University Press, 344 pp.

This book is part of a series that builds on the work and spirit of the late economist Kenneth J. Arrow. It contains some of Arrow's thoughts on the central piece of this publication, Dasgupta's essay 'Birth and Death', along with a foreword by Robert Solow and contributions by Scott Barrett, Eric Maskin, and Joseph Stiglitz. These three commentaries are followed by Dasgupta's response to their concerns. The book ends with an essay co-authored with Aisha Dasgupta on socially embedded preferences and the environmental externalities of fertility choices. The book pre-

sents an excellent example of ambitious and interdisciplinarity-informed scholarship on what may be the most pressing issue of our time: the sustainability of human society in a diminishing ecosystem.

The book's main essay, 'Birth and Death', starts with a short introduction on the different rationales behind people's reproductive choices, ranging from children as vehicles for self-transcendence to children as a source of old-age insurance. The first chapter of the book provides a very broad overview of the economic demography of the rich and poor countries of the world – their differences in fertility, infant mortality, income, and population – and introduces the concepts of environmental externalities and intergenerational transfers. Reproductive choices and the way people use the environment can have consequences for the environment and other people – consequences that might as yet be unaccounted for. As Dasgupta takes on the role of a population axiologist, the key philosophical question is: 'How should one value possible populations so as to decide which would be best?' (p. 6). Chapter 2 presents the reader with the utilitarian foundations of Dasgupta's approach and outlines the path from Sidgwick's Classical Utilitarianism to his own Generation-Relative Utilitarianism (GRU). The third chapter contains further explanations of his take on the concepts of capital and well-being, and the fourth chapter contains the synopsis of the theoretical and empirical work Dasgupta presents in the remainder of the essay. In chapters 5 to 9, Dasgupta focuses on building evaluation models of population numbers. He argues that other approaches have so far ignored the important socio-ecological constraints that are becoming more dire and more apparent every year, and it becomes the main task of this volume to take them into account. This warrants a closer look.

Dasgupta starts with Total Utilitarianism (TU), where the Decision-Maker (DM)