

tail, let alone explored theoretically. This becomes most evident with respect to social norms. He argues that '[t]he problem is now how to explain where these social norms come from and where they evolve, which is obviously a question for sociology, psychology, cultural and political history, and the study of beliefs and perceptions at least as much as for economics per se' (p. 333). Thus, social norms and their origin are as much a concern to sociology as to economics, but having noted this Piketty just goes on to another topic.

Both examples show the ambivalent use of theoretical concepts and leave the reader to wonder whether the book lives up to the interdisciplinary ambitions it aims for. While Piketty's thorough empirical work and his contribution to the economics of inequality are impressive, the incompleteness of theoretical explanations and the lack of concepts from neighbouring disciplines and unconventional economics are a lost opportunity. Embedding the empirical findings of *Capital* into the broader field of social inequalities could include a discussion of its interdependencies as well as the role of income and wealth within the future development of modern societies. *Capital* and the empirical findings mark a caesura for the social sciences: they are a starting point for further evidence-based inquiries into the reasons for and consequences of inequality. This can involve taking up Piketty's empirical findings on the elite class, the top 1% and the top 0.1%. This study of the super-rich involves redirecting attention to consumption patterns based on income and wealth inequality, kinship alliances, and the possibilities of the elites to execute institutional power. Further, the rising importance of inheritance may have major consequences on social classes and social change, which need to be studied in depth.

In sum, Piketty is not the modern Marx, as *The Economist* has claimed. He did not detach himself from conventional eco-

nomic theories and fundamentally criticise capitalist societies. But he might turn out to be the new Keynes. This outstanding book might lay the foundations for re-stabilising capitalist economies.

Hendrik Theine

WU Vienna University of Economics and Business

Hendrik.Theine@wu.ac.at

References

- Phelps, E. 1961. 'The Golden Rule of Accumulation: A Fable for Growthmen.' *American Economic Review* 51 (4): 638–643.
- Varoufakis, Y. 2014. 'Egalitarianism's Latest Foe: A Critical Review of Thomas Piketty's *Capital* in the Twenty-first Century.' *Real-world Economics Review* 69: 18–35.
- Zucman, G. 2015. *The Hidden Wealth of Nations: The Scourge of Tax Havens*. Chicago, IL, and London: University of Chicago Press.

Note

- ¹ Throughout the book, wealth and capital are used interchangeably, which differs from most economics approaches and has therefore been the target of much criticism [see, for instance, Varoufakis 2014].

Kathleen Thelen: *Varieties of Liberalization and the New Politics of Social Solidarity*

Cambridge 2014: Cambridge University Press, 282 pp.

In this book Kathleen Thelen embarks on a daunting challenge: to infuse a more flexible understanding of path-dependency into the varieties of capitalism literature (henceforth VoC; see Hall and Soskice [2001]; for a review, see Pop and Vanhuyse [2004]). The aim is to tackle the criticism that VoC does not leave much room for change [see also Hall and Thelen 2009; Streeck and Thelen 2005]. Against the mainstream view of a liberal convergence, Thelen offers an empirically rich, in-depth historical narrative, which argues fundamentally that institu-

tions of egalitarian capitalism survive not just by inertia, but by constant reconfiguration of both form and function (pp. 1–3). By looking at collective bargaining institutions, vocational education and training systems and labour-market institutions, the book aims not just to expand the VoC typology, but also to transcend VoC's conventional duality—liberal vs coordinated economies (pp. 3–5). The spatial scope includes the Netherlands, Sweden, and Denmark alongside Germany and the United States, the two ideal-typical cases of the original VoC framework.

Echoing perhaps Steinmo's *longue durée* narrative which shows that as a given institutional path evolves its own mechanisms of reproduction can undermine itself [Steinmo 2010: 16], Thelen argues that the current debate around VoC and egalitarian capitalism has reached a stalemate because it does not have the analytic categories that can capture *change* (p. 4). Tackling the well-known criticism that VoC frameworks neglect the role of the state, Thelen looks first and foremost at the shift in employment to services and the analytical space it opens (pp. 11–32). She takes issue with the continuous assumption within VoC inquiries that interests of traditional manufacturing are shared by all employers, which are hence prone to support the same kind of institutions regardless of the internationalisation of the economy and technological change (p. 28). Rather than liberal convergence stemming from this rigid understanding, Thelen notes that institutional interaction seems to be leading to deregulatory liberalisation (active political dismantling of coordinating capacities), dualisation (narrowing of firms but continuing strong coordination), and/or embedded flexibilisation (introducing new flexibility into frameworks that collectivise risks).

To balance the one-sided firm-centric nature of VoCs, Thelen employs a nested view of institutions, which contends that

firms are not always conditioned just by one institution and that over-arching state agency is important (similar to Thelen and Hall [2009], and more flexible than Steinmo's 2010 evolutionary narrative focused on Japan, US and Sweden). Concretely, Thelen looks at inclusiveness of interest associations, variation in state capacity (this is indeed one of the book's very important additions to VoC—pp. 23–24, theoretical considerations), labour market policies and education and training systems. Although the variables seem reminiscent of the original VoC framework, by capturing the co-constitutive process of agency, structure, and process [Lawler 1997], the author successfully transcends the VoC framework by re-emphasising the roles of coalitions and interests behind employers' decisions (p. 11). The data backing up the argument is impressive and in-depth, both on a comparative level and in the individual case studies. As with most historical institutionalist studies, the data are well-embedded in national political contexts and organised into coherent narratives that explain why and how particular designs were implemented. The book's analysis also balances well between the main sources that provide an impetus for change: external (globalisation) and internal (the interplay of institutions, state agency). There is a slight one-sidedness favouring globalisation over other trans-national processes. Most notably, the EU is focused on less. But this does not fully undermine Thelen's anti-convergence argument.

What comes out is that industrial labour relations are particular outcomes of historically contingent balances of power, arguably less stable than previously assumed by the VoC theorists. Thelen shows that, rather than convergence, differentiation (with certain layers of hybridisation) is more likely, leading to the varieties of liberalisation: deregulation (USA), dualisation (Germany), embedded flexibilisation (Denmark), and hybrid forms (Sweden, the

Netherlands). The analysis of the Nordic states, which Thelen argues to be a distinct form of CMEs, shows that coordination institutions can be eroded, and can be to a point where in Sweden and Denmark, for instance, firms have become extremely important sites of bargaining. However, the crux of the argument is that while liberalisation might be ubiquitous, this should not be equated with convergence, as either old coordinating mechanisms survive (residual as in Denmark, or stronger as in places like Germany) or new ones appear.

It is precisely this flexible approach to coordination that makes the book stand out. Essentially, Thelen tears down the assumption that the interests of traditional manufacturing are shared by all employers (pp. 27–28). She achieves this by employing process tracing-type methodologies to dissect the development from manufacturing to service industries, a transformation accompanied by a realignment of coalitions due to intra-state as well as trans-national evolutions. The book confirms that employer coordination may be necessary, but it is quite clearly not sufficient to generate egalitarian capitalism (pp. 201–205). In contrast to mainstream VoC frameworks, Thelen's analysis shows that the necessary additional layer to sustain solidarity, particularly since the rise of neoliberalism, is state support (p. 205). According to Thelen this should come into play when and where unions are too small and/or too weak to protect low-skilled workers at risk of exclusion from the labour market.

The discussion on vocational and education training provides a fine-tuned dissection of the porous boundaries between private- and firm-financed education systems. Particularly in the widely analysed German case, successful adaptation to new technological challenges requires high specialisation costs, which have prompted dualisation. The increasing insider-outsider gap seems indeed to affirm a changed welfare paradigm, in which the most affected

will be those who, despite being citizens of wealthy countries, lie outside the welfare net [Ferge 1997; Tepe and Vanhuysse 2013]. By contrast, liberalisation is unearthed for the United States and Denmark. Whereas in the case of vocational education and training systems Thelen shows a deepening of differences, when it comes to labour-market policies liberalisation seems to be an across-the-board phenomenon in Germany, Denmark, and the United States. Further contributions, particularly with regard to the creation, sustainability, and functioning of coalitions, are drawn from the Dutch case, where a typical continental pattern was replaced by a Scandinavian-inspired flexicurity, and from Sweden's display of dualisation despite strong social-democratic legacies.

Is then egalitarian capitalism merely a fortuitous interplay of national and international contexts, or are there sufficient institutional resources to sustain it in the long term? Thelen's position is decidedly in favour of the latter, but with the important note that solidarity is not a given, but must be nurtured, in particular by state support in periods of neoliberal heydays, like the current one. A further indispensable pillar is reversing the downward trend of labour unionisation because employer coordination is necessary but not sufficient by itself (pp. 203–206). Yet, if change from above is to foster egalitarian capitalism it must be in tune with developments from below, as the traditional coalition partners for political forces on all sides of the left-right spectrum are shifting with the new technological and employment patterns [Tepe and Vanhuysse 2013].

Above and beyond reiterating some of the well-known problems of historical institutionalism Thelen's book provides an interesting new direction for overcoming stale debates around VoC-inspired frameworks. On top of the extremely rich comparative historical narrative, this book offers a useful and flexible multi-layered

framework to analyse coordination mechanisms and institutional interplay in a context of continuous erosion of the Golden Age isomorphism between welfare state and nation state.

Sergiu Delcea

Central European University, Budapest
sergiu.delcea@gmail.com

References

- Ferge, Z. 1997. 'The Changed Welfare Paradigm: The Individualization of the Social', in *Social Policy and Administration* 31 (1): 20–44.
- Hall, P. and K. Thelen. 2009. 'Institutional Change in Varieties of Capitalism.' *Socio-economic Review* 7: 7–34.
- Hall, P. and D. Soskice. (ed.) 2001. *Varieties of Capitalism. The Institutional Foundations of Comparative Institutional Advantage*. Oxford: Oxford University Press
- Lawler, P. 1997. 'Scandinavian Exceptionalism and European Union.' *Journal of Common Market Studies* 35: 565–594.
- Ost, D. 2005. *The Defeat of Solidarity: Anger and Politics in Postcommunist Europe*. Ithaca, NY: Cornell University Press.
- Pop, L. and P. Vanhuysse. 2004. 'Review Article: Varieties of Capitalism, Varieties of Theory? Conceptualizing Paths of Change and Patterns of Economic Interaction across Models of Market Democracy.' *Journal of European Public Policy* 11 (1): 167–177.
- Steinmo, S. 2010. *The Evolution of Modern States. Sweden, Japan and the United States*. Cambridge: Cambridge University Press.
- Tepe, M. and P. Vanhuysse. 2013. 'Parties, Unions, and Activation Strategies: The Context-Dependent Politics of Active Labor Market Policy Spending.' *Political Studies* 61 (3): 480–504.

Alice Vadrot: *The Politics of Knowledge and Global Biodiversity*

Abingdon 2014: Routledge, 320 pp.

This book offers an insightful analysis of the process leading up to the foundation of the Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES), which, after more than seven years of negotiations, was established in 2012 as a new international body. Although the idea of an

intergovernmental organisation for biodiversity was already mentioned in the 1990s, the 2005 conference on 'Biodiversity: Science & Governance', held in Paris, is generally regarded as the landmark event for the origin of IPBES. This event signalled the start of a consultative process to explore options for a new expert organisation on biodiversity. Subsequently, under the guidance of the United Nations Environment Programme (UNEP), a new phase of negotiations started and a number of intergovernmental and multi-stakeholder meetings were convened, leading to the establishment of IPBES. Since then, three plenary meetings have taken place during which IPBES has decided on a work programme (2014–2018), which is currently being implemented.

The main idea of IPBES is that it will generate relevant and usable knowledge for the governance of biodiversity. In that sense, it is expected to play a role comparable to the Intergovernmental Panel on Climate Change (IPCC). However, the analogy of the IPCC is not uncontested, as most experts agree that biodiversity needs a specific approach which is tailored to biodiversity issues and draws lessons from other global environmental assessments including the 1995 Global Biodiversity Assessment and the 2005 Millennium Ecosystem Assessment [Beck, Esguerra and Gorg 2014; Brooks, Lamoreux and Soberón 2014]. From the start of the process in 2005, the development of IPBES has been characterised by controversy and contestation over a number of key issues. These include the role of local and indigenous knowledge; its relation to the Convention of Biological Diversity (CBD) and the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA) of the CBD; and who would be allowed to become a member of the platform. Also from the beginning, there were strong voices that argued against the need for a new international body, saying that the CBD-SBSTTA could take care of whatever functions would be demanded of