

aims at bringing capitalism back into the analysis of institutional change. The ambition of the author, that is, building a historical account of post-WWII democratic capitalism by mobilizing various social sciences, is largely fulfilled. In a sense, *Buying Time* appears as a follow-up and update of Burkart Lutz's *Der kurze Traum immerwährender Prosperität* (1984) with the lens of James O'Connor's *The Fiscal Crisis of the State* (1973): tracking the evolution of fiscal policy is a tool for revealing the power relations among competing social and political groups, according to the early insight by Joseph Schumpeter in his article "The Crisis of the Tax State" (1918). Streeck is thus in good intellectual company; his book is thought provoking and has already sparked controversy in Germany when it was first published. Let me briefly mention some of the issues that deserve further analysis.

Is not the concept of "democratic debt state" an oxymoron? Either creditors or citizens are the winners and, since Streeck concludes that democracy will be defeated, all European states will simply become "debt states." But a process of hybridization might lead to an unexpected configuration. Remember, for example, the post-WWII settlement when *rentiers* accepted a stable but limited remuneration. Are we sure that Hayek back in 1939 wrote the whole script of the inevitable failure of European integration? This vision drastically underestimates the uncertainty that prevailed at some crucial episodes. For instance, after the fall of the Berlin Wall, the launching of the Euro was far from being the only solution, and the Lehman Brothers collapse and its impact on European public finance have made the future quite uncertain. Is it also risky to extrapolate the present disequilibria ad infinitum since the ways out of past systemic crises have been by means of a brutal and complete reversal of past orthodoxy and policy? The characterization of the European Union as "Hayekian unified Europe" neglects the technocratic nature of the European Commission and the European Central Bank, far away from the belief in free banking as the definite solution proposed by Hayek in other parts of his work. Similar doubts are raised by the proposal of a European Bretton Woods: this approach overestimates the autonomy of the European Union in redesigning the next international financial system and downplays the disruptive power of financial flows that currently prevent the readjustments of the exchange rates required for a recovery of national sovereignty and growth.

*Buying Time* is highly recommended for a wide audience of social scientists and will probably stimulate a lively debate in the arena of theorizing and among experts on European integration.

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As scholarly interest shifts away from Japan to other countries, such as China and India, Japan continues to provide a fascinating empirical context to test the validity and reliability of social science theories. *The Great Transformation of Japanese Capitalism*, an edited volume but written almost entirely by Sébastien Lechevalier, attests to this claim. In what ways has the Japanese form of capitalism changed since its heyday in the 1980s? This book provides answers to this question by applying a distinctive analytical lens. The distinctiveness derives from attempts to combine the French *regulation* school and the varieties of capitalism perspective.

Readers benefit from the inclusion of a pure *regulation* tract in a foreword by Robert Boyer. In Chapter 1, Yves Tiberghien expertly traces the key policies from the 1980s Nakasone era to the current Abe era. He attributes policy shifts to political processes in which the ideology of neoliberalism is only one piece in the puzzle. Thereafter, three chapters elaborate the impact of these policies on the three dimensions around which the book's analysis is organized. Chapter 2 demonstrates the emergent heterogeneity of firms, their organizational diversity

and performance over three decades since the 1980s. Chapter 3 asks whether Japanese capitalism is still coordinated and, not surprisingly, finds weaker coordination. Chapter 4 examines the nature of the social compromise in Japanese society, finding evidence of deeper inequality emerging, particularly through what Lechevalier calls the re-segmentation of labor markets. The rest of the book touches on three important arenas that enable the authors to examine whether Japanese capitalism has transitioned in a way that bodes well for survival in the twenty-first century. These arenas are the education system (Chapter 5), the innovation system (Chapter 6), and Japan's international presence (Chapter 7).

One key merit of the book lies in capturing the nature of Japanese capitalism in its entirety. Often, the treatment of the Japanese political economy is undertaken by economists who focus on macro policies or on the micro business systems (e.g., the main bank system) without noting politics, or by political scientists interested in political parties and bureaucratic processes without linking them explicitly to economic causes or outcomes. By focusing on the causes and consequences of neoliberal reforms, Lechevalier is more evenhanded in balancing politics and economics. Tiberghien's chronology in Chapter 1, alongside the three subsequent chapters, does an excellent job of piecing together where policy reforms have come from and how they affected various segments of the political economy.

Another strength of this book is that the authors make a genuine effort to ground the Japanese experience in theory by benchmarking it with countries other than the United States, such as France, Germany, and South Korea. It is a shame that these comparisons are not made more explicit and that the default benchmark appears when discussing the innovation system, in Chapter 6, in the form of the Silicon Valley model. Chapter 6 is primarily about innovation in large firms involving corporate venture capital rather than start-ups, so the comparison with Silicon Valley appears somewhat oblique.

Interpreting the growing inequality in Japan, as elsewhere, in terms of a shifting "social compromise" is distinctly grounded in the *regulation* school. Whereas in the past, Japan was known for egalitarianism with relative income equality, Chapter 4 analyzes the re-segmentation of the Japanese labor market in terms of three dimensions: the distinct job status difference between regular and non-regular workers, the absence of mobility between the segments, and the risk of unemployment and poverty because of job insecurity. Chapter 5 provides a complementary explanation of how education reforms have contributed to growing inequality. Reforms contained a neoliberal component of introducing market forces to the provision of education but also attempted to give more space (*utori*) in stressful examination-oriented schooling. This latter trend led to an unintended consequence, namely, accentuating inequality by parental background.

If one were to quibble about one shortcoming, it is that the book is written on the basis of Lechevalier's prior work. Although it is well referenced, without reading those articles the argument and in particular the evidence are often under-elaborated. Moreover, the book does not discuss the underlying theory and assumptions about institutions and institutional change. Institutions are defined as political economy compromises and are said to be at the center of the regulation of social conflict (p. 7). Lechevalier also concludes the book by stating that its theoretical contribution is to "attempt to reconcile two different traditions: micro approaches to the diversity of capitalism, with political economy perspectives such as those proposed by *regulation* theory" (p. 161).

Unfortunately, no elaboration occurs here, nor elsewhere in the book, on what the nature of such theoretical reconciliation is. On one hand, *regulation* theory provides an attractive definition of institutions as political compromise, but remains too macro to account for the emerging heterogeneity within a system. On the other hand, the existing approaches to capitalist diversity, including the varieties of capitalism, are attractive in being more micro in analysis. But they are too functionalist in their definition of institutions as equilibrating rules of the game. Identifying the strengths and weaknesses of each approach is one thing; attempting to reconcile the two theoretically is another, and might be an impossible mission.

Nevertheless, with all its profound insights, *The Great Transformation of Japanese Capitalism* should be picked up by scholars and students interested in the analysis of capitalism and its subcomponents, be they the business system, labor-management relations, employment, or the welfare state.

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