

Stefan Kolev, *Neoliberale Staatsverständnisse im Vergleich [A Comparison of Neoliberal Concepts of the State]* (Stuttgart: Lucius & Lucius Verlag, 2013), pp. 320, €38 (hardcover). ISBN 978-3-8282-0584-0.

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Privatization, reduction of trade barriers, and deregulation of financial markets are reforms commonly identified as neoliberal. The Washington Consensus, for instance, originally a list of ten economic reforms for Latin America that the economist John Williamson (1990) thought Washington institutions (World Bank, IMF, US government, etc.) would agree on, inspired one of the most commonly accepted representations of neoliberal reform programs in recent history.¹ After reading Stefan Kolev's comparative work on neoliberal concepts of the state, it becomes clear that the common use of the label "neoliberal" for specific reform programs, as used in the case of the Washington Consensus, is inappropriate in at least two ways. First, as it is the case with labels in general, the way in which the term "neoliberal" is used ignores the history of the concept and the intentions of the thinkers who originally identified themselves as neoliberals. Second, it ignores the heterogeneity in the ideas within the group of neoliberal thinkers and, therefore, the diversity of what "neoliberal" economic policy reforms could be. Kolev's study is an insightful resource for anyone seeking to better understand the origins of the term "neoliberalism," the common ground that brought neoliberal thinkers together, and the differences in their views regarding the role of the state in a liberal society.

In the 1920s and 1930s, liberal thinkers from different backgrounds in cities like Vienna, Freiburg, London, and Chicago were independently searching in the ideas of classical liberalism for solutions to the social, political, and economic problems of their time. These thinkers met for the first time in 1938 in Paris at the Colloque Walter Lippmann, and agreed on the name "neoliberalism" as the way to identify themselves as being part of this liberal intellectual movement. This original definition of neoliberalism is the one Kolev takes as the starting point for his work.

Stefan Kolev's main goal in writing *A Comparison of Neoliberal Concepts of the State* is to present a comparative study of the ideas of four of the founding fathers of neoliberalism. The four thinkers Kolev compares are Walter Eucken, Friedrich A. von Hayek, Wilhelm Röpke, and Ludwig von Mises. The selection of the authors results from two considerations. First, Kolev concentrates on neoliberal German-speaking thinkers to guarantee a manageable degree of homogeneity in their intellectual heritage and, at the same time, enough heterogeneity in their views of a liberal society to ensure a fruitful comparative analysis. Second, he chooses a subset of two German (Eucken and Röpke) and two Austrian (Hayek and Mises) economists as they represent different lines of thought within neoliberalism.

As mentioned above, Stefan Kolev uses each author's concept of the state to compare their understandings of a liberal society. Kolev makes the comparison at two levels: the level of abstract ideas, and the level of practical economic policy in the

¹"I made a list of ten policies that I thought more or less everyone in Washington would agree were needed more or less everywhere in Latin America, and labeled this the 'Washington Consensus.' Little did it occur to me that 15 years later, I would be asked to write about the history of a term that had become the center of fierce ideological controversy" (Williamson 2008, p. 14).

concrete areas of competition, business cycle, monetary policy, and social policy. The backbone of the study is the identification of the core topic around which the work of each author gravitates. The core topic, which Kolev calls the “topos,” permits a structured comparison at the two levels. The topoi that Kolev identifies in each author’s works are: *economic power* (Eucken), understood as the ability of private and public actors to influence the behavior of other market participants; *knowledge* (Hayek), meaning the implicit wisdom of time and space every individual has; *social cohesion* (Röpke), understood as the economic and social interaction of individuals in their immediate social context; and the *autonomous action* of individuals (Mises).

Kolev compares the ideas pairwise. First, he compares Eucken and Hayek. He argues that for Eucken, the state is a “referee” that should enforce the rule of law and hinder the creation of market power. For Hayek, according to Kolev, the state is a gardener that cultivates the spontaneous order of society by setting and enforcing the rules of the game that permit each individual the best possible use of the implicit knowledge dispersed in society. In Kolev’s reading, both authors see competition as a key element in their view of an ideal economic order. Competition, however, serves a different goal in each author’s view, which relates to each author’s topos. For Eucken, Kolev argues, competition is a tool to disempower economic actors, while for Hayek, competition is a tool to create new knowledge (discovery procedure).

The second comparison Stefan Kolev presents is between Eucken and Röpke. In Kolev’s interpretation, Röpke sees the state as a “structural designer” whose main task is to maintain the stability of the foundations of the natural order of economy and society. This view implies a broader socio-economic field of action than in Eucken’s view. According to Kolev, competition is, for Röpke, not only an instrument to disempower market actors, but a coordination instrument for individual interests.

The third and last comparison is between Mises and Hayek. For Mises, Kolev argues, the state plays a more passive role than for the other three thinkers. The state is “only” a night watchman that has a monopoly on violence to prevent individuals’ use of violence to restrict others’ autonomy of action. For Mises, competition is a key element of markets, even though less crucial than for Eucken and Röpke.

In his careful study, Stefan Kolev presents a rich comparison of the ideas of four leading founders of neoliberalism. The book is well written and based on a rigorous study of the primary and secondary literature. The topoi methodology allows for a very structured presentation of the comparative study, making it easy for the reader to follow the complex connections among the ideas of each thinker.

The book could be improved by including a more detailed discussion of the selection criteria of the thinkers whose works are compared. As mentioned above, Kolev justifies the selection of the authors mainly by the homogeneity of their German-speaking heritage, which makes the comparing manageable, and by the heterogeneous lines of thought, which makes the comparison fruitful. Additionally, he mentions reasons why including other German-speaking thinkers, such as Alexander Rüstow, Alfred Müller-Armack, Ludwig Erhard, and Franz Böhm, would not be fruitful. In general, Kolev explains why it would be inconvenient to include more authors apart from the four he initially chooses, but he does not explain in much detail why it would not be desirable to exclude any of the initial four authors. By discussing more deeply why each one of the selected authors “deserves” their place in the study, the book would have a more solid methodological ground. The selection

of the authors, however, is intuitive and gives Kolev very rich materials to accomplish his fruitful project.

Overall, Kolev's *A Comparison of Neoliberal Concepts of the State* provides thoughtful insight into neoliberalism, its history, its initial purpose, and the diversity of ideas embedded in it. It also serves as a tool to reflect upon the recent use of the term *neoliberalism* (as in the case of the Washington Consensus), and as a motivation for scholars to engage in fruitful academic debates about the role of the state in liberal societies today.

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Richard Arena and Pier Luigi Porta, eds., *Structural Change and Economic Growth* (Cambridge: Cambridge University Press, 2012), pp. xii + 296, \$113 (hardcover). ISBN 978-1-10701-596-8.

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"Long-run variations in the composition of aggregate output are visible to the naked eye. They need to be understood." This point is clearly stressed by Robert Solow (p. 274 in the present book), and has never been denied. Although structural change has never ceased to appear as one of the most obvious empirical features of growth processes, until recently the topic was rather neglected by mainstream growth theorists, since it seemed to be incompatible with the balanced growth framework (cf. Acemoglu and Guerrieri 2008). Over several decades, research efforts concentrated mainly on approaches built on other analytical grounds, and Luigi Pasinetti is still considered as a pioneer in the field known as structural economic dynamics. This book is aimed at providing a tribute to Pasinetti for his contribution, but also a theoretical assessment of both the history and research perspectives on this fundamental issue. Sadly, one of the book's co-editors, Pier Luigi Porta, died in early 2016 when this review was in preparation. A tribute to him would spotlight his scholarly qualities that are reflected in the book.

The contributions to this edited collection are particularly interesting not just for their intrinsic value, but because this whole set of papers finally offers a comprehensive overview of the scope, contributions, and also limits of the different (competitive or complementary) approaches dealing with structural change dynamics, and this is at a moment when there is renewed interest within the standard growth approach (e.g., from Cristina Echevarria and Christopher Pissarides). In this perspective, the introduction by Arena and Porta provides an accurate analysis of the evolution of the