pants are formatted. If *Fortune Tellers* is likely to leave the sociological reader with a niggle, it will probably relate to Friedman's at times unconvincing distinction between soothsayers or oracles (among whom it seems he would be happy to place Babson), and the professional forecasters that he takes as his focus. Perhaps, given the many parallels between the social logics of divination and economic forecasting (Zeitlyn 2012), it might be possible to draw on Friedman's rich historical data in order to develop a "symmetrical" sociology of the role that fortune tellers of all persuasions (and their technologies) play in formatting economic subjectivities and agencies?

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Financial Crises and Institutional Change: Some Observations and Critical Remarks

Many observers of financial reform are puzzled by the inadequacy of changes in the financial system after 2008, especially in comparison to the magnitude of existing problems, and despite having one of the worst financial crises in the history. Many of them accept that the recent global crisis has revealed some of the major problems in the structure of financial systems, incentive mechanisms, as well as the weaknesses of the regulatory framework that was supposed to prevent moral hazard problems and the building up of systematic risk. Not surprisingly, the emergence of these problems in 2007/2008 increased the political salience of the topic and stimulated efforts to change the existing regulatory framework. It also created a strong political pressure for democratically elected officials, to take further steps in order to appease public frustration. However, after more than six years since the emergence of the crisis, one can better see retrospectively that the changes are inadequate to address the fundamental problems of financial systems, and to meet democratic demands.

The edited book by Renate Mayntz, reviewed in this article, provides a comprehensive account of the post-crisis regulatory changes in the financial area. The book is mainly guided by empirical concerns: it aims at documenting what has changed, and also not changed, in the aftermath of the recent global financial crisis at three levels: national, European Union, and international level. It asks whether we observe a profound shift from the regulatory practices of the pre-crisis era (self-regulation) to a much stricter public regulation after the crisis, or instead a bleak transformation with perfunctory changes. It involves twelve chapters and is structured along these three analytical levels. After a detailed introductory chapter by Mayntz, five chapters (from chapter 2 to 6) are devoted to regulatory changes in advanced post-industrial economies, involving the US, the UK, France, Germany and Switzerland, respectively. The seventh and eighth chapters cover the regulatory changes at the European Union level. Whereas the former provides an overall account of changes, the latter focuses on the hedge-fund regulation, specifically. From chapter 9 to 12, the regulatory efforts to change the international financial system are analyzed by focusing on the international accounting standards, the Basel committee, the Financial Stability Board, and the broader assessment of the international financial architecture. In order to give full credit to the chapters and to present their detailed arguments, I will separately discuss them in the following lines, and will rely on the analytical organization of the book. In the end, however, I will share my general comments about the book.

Financial Reform at the National Level

The country case analyses start with the second chapter by Wooley and Ziegler, which examines the American case in detail. The authors recognize the structural changes in financial regulation in the aftermath of the crisis, with the establishment of the Financial Stability Oversight Council and the Consumer Financial Protection Bureau, as well as changes in the procedures and practices such as enhanced prudential regulation of derivatives activity and systematically important firms. However, they also observe that financial policy elites supported the status quo and the preferences of the existing lobby groups in the financial arena. For these policy elites, it was not enough to delegitimize the existing financial institutions despite the magnitude of the crisis. Hence, the post-crisis institutional change in the US was incomplete and unable to address the most significant weaknesses of the financial system. What is further interesting in this chapter, especially for the economic sociologists, is the role assigned to 'policy entrepreneurs'. The chapter presents a detailed account of how knowledgeable and skillful policy entrepreneurs such as Elizabeth Warren, Paul Volcker and Gray Gensler were able to change the course of intellectual debate and policy formation process. Given that most accounts of financial crisis and institutional change solely deals with structural factors such as interests, institutions or ideas, I found this emphasis on agency particularly important.

The third chapter by Johal, Moran and Williams discusses the post-crisis changes in Britain. Similar to the American case, the changes documented in Britain were either delayed, incomplete or inadequate. As usually agreed, the British financial system is very similar to that of American one with respect to the size, that of being one of the centers of the global finance, that of the centrality of financial innovation and public reliance on self-regulation. However, arguably in a larger scale than the US, according to the authors, the British crisis not only called into the question the structure and weaknesses of the financial regulation, but also a whole economic strategy based on financial activities. The authors demonstrate how the City of London, before the financial crisis, was commonly pictured as the motor of British economic revival, in a context of decaying manufacturing industries. Even after the crisis, the British efforts to replace the existing framework were extremely cautious not to jeopardize the role of the City in the British economy. Beyond documenting the inadequate of changes, this chapter also nicely deals with the discussions around the reform proposals and presents the countervailing forces that are in favor of further reform. What I found especially interesting in this chapter is the emphasis on the changing institutional and sociological structure of the Bank of England. The authors argue that the Bank of England has traditionally been closer to financial markets and ideologically supportive of self-regulation. However, in the last generation, and at an accelerating pace in recent years, this character has changed. The Bank became increasingly dominated by economic professionals who are relatively autonomous from the interests in the markets, and whose legitimacy depended on their professional accreditation as economists. Andrew Haldane, according to the authors, was an important case in point. As the deputy director, he has been outspokenly critical towards the bonus payments systems, the threat of financial institutions to relocate their activities, and to the grand narrative that the financial system is the major contributor to the British economy. I think this story can be further analyzed with the sociological perspective of economic professions provided by Marion Fourcade (2009). It would be interesting to see how increasing professionalism and central bank authority contributes/inhibits market perspective or interests in the governance of financial affairs.

One can easily understand the continuity, rather than change, in the Anglo-Saxon financial markets with reference to path dependency of the political economy model, or the power of finance capital in shaping political outcomes. But, what is the situation in the continental European countries that either have not completely adopted the financialized model, or kept their relative autonomy from the political power of finance capital? Surprisingly, the changes in these countries were also limited. For example, the fourth chapter by Nicolas Jabko attempts to explain the disparity between the critical rhetoric for the global regulation and the absence of overhaul reform in France. The French government officials were extremely critical to the international financial governance, after the initial signs of crisis emerged in 2007. But Jabko also documents that there is a large gap between this ambitious rhetoric for transforming the finance, and the actual changes that have been made in recent years. According to him, cognitive biases in the decision making process are more explanatory to make sense of the French puzzle, in comparison to other accounts that either focus on the French incapacity to set the EU agenda, or domestic theories of interest. In his analysis, Jabko pays attention to the sociological composition of the French financial policy elite. Following a very similar career trajectory (graduating from ENA, starting their careers in the Ministry of Finance

as financial inspectors and recruited by private banks in their late career), according to Jabko, these elites are well connected to each other, and they have held the belief that most problems did not originate or manifest themselves in France. Also, they have shared the belief that they have effective informal ways of dealing with the problems of France's biggest banks, largely due to informal connections between them. Therefore, political motivation for comprehensive reform was insufficient in France.

The chapter written by Handke and Zimmermann on Germany, on the other hand, emphasizes the role of institutional barriers for reform. The authors are similarly puzzled by the fact that Germany has been very hesitant in adopting full range of reforms after the crisis, even though, Germany was among the most internationally active proponents of reforms prior to the crisis. Authors argue that the German financial system is closely linked to political structures at the federal, regional and local level. This creates numerous veto opportunities for actors with a stake in existing institutional structures, and makes it harder to accomplish comprehensive reforms.

Switzerland is another coordinated economy with a corporatist tradition, but also with higher level of financialization and with its financial system's unique integration to the international finance. In chapter 6, Steinlin and Trampusch argue that the changes in the financial realm in Switzerland, in the aftermath of the crisis, cannot be adequately understood without examining the interaction between the national and international levels. For them, most of the changes in Switzerland were made possible with the international community's pressure on banking secrecy and self-regulation. The authors document how Switzerland managed to protect its financial system's peculiar features until the crisis. They also explain how three central elements of Swiss political economy – namely right wing party dominance, weak state capacity and preference for self-regulation – helped this peculiar system to survive. Similarly, they argue that these factors also help explain the inadequacy of the changes in Swiss financial system, even though there were major international pressures. This chapter is perhaps noteworthy for two other reasons. First, the authors' emphasis for the interaction of national and international levels should be the way to be followed. One common mistake of comparative political economists or country experts is to focus too much on domestic political developments. On the other hand, international political economy scholars pay too much attention to international dynamics, perhaps neglecting how domestic political factors shape international politics. Secondly, this country chapter illustrates a country with a very different trait. Unlike the other four countries covered in this book, Switzerland exemplifies a small country with higher level of international vulnerability. As the authors rightly stress, even though towards the very end of the article, this country case provides a valuable opportunity to test the insights of Katzenstein (1985). Focusing on the national-international nexus, and taking the country size seriously, one might say more about the possibility of changes in the financial regulation.

Efforts at the European Level

The seventh chapter by Quaglia documents the regulatory changes in the European Union. She rightly observes that financial regulation in the EU was mainly a technical policy area prior to the crisis, however, heads of states and governments – most notably Sarkozy and Merkel – became interested in financial regulation after the crisis erupted, and at times adopted populist stances to appease public opinion. Nevertheless, the regulatory response of the European Union to the global financial crisis was still incomplete, and involved an incremental change rather than a major break with the past. Qauglia points out three reasons for this incomplete change: interlocking mechanism of the EU, different member states perspectives, and lobby power of financial groups. Particular attention is being paid to the different interests of the opposing countries – the UK, Ireland, Luxembourg and some Nordic countries- on the one hand, and the countries that are in favor of further regulatory response – most importantly Germany, France, Italy and Spain. This chapter, as the preceding one on Switzerland, reminds how the interaction of different levels is essential to the analysis of financial regulatory change.

The next chapter by Woll focuses on the hedge fund regulation in the EU. Similar to the previous chapter, this one, too, emphasizes the centrality of national positions. However, it puts more emphasis on the 'interest perspective' and the inter-connections between governments and business. In particular, this chapter attempts to unpack the positions of the French, British and German governments and shows that each nation state defended the interests of their national industries with respect to the hedge fund regulation. Not surprisingly, the final directive, AIFM, emerged as a political compromise between the two opposing forces, namely the UK and France. While the for-

mer had to accept that alternative investment would be regulated at the supranational level, the latter had to agree on the exclusion of off-shore activities from the scope of the regulatory directive.

International Financial Architecture

The chapters that discuss the reform at the international level deal with different aspects of financial system and institutions. In chapter 9, Lagneau-Monet and Quack examine the reform proposals to change the international accounting standards. Unlike others in this edited volume, this chapter adopts a public policy analysis approach and traces the political process in which the multiple reform proposals unfolded and co-evolved. Borrowing from Kingdon (1995), authors discuss the financial crisis as a 'window of opportunity' for financial reform. However, at the same time, they also observe that actors have never converged on a single reform project at any stage of the process. Instead, multiple political agendas and reform proposals co-existed. What is more important, according to the authors, is the centrality of evolving problem definitions in the policy formation process, rather than describing the process as a transformation from one equilibrium point (pre-crisis) to another one (post-crisis).

The next chapter by Goldbach and Kerwer discusses the changes in the Basel banking standards. They observe more continuity than change after the financial crisis. Even though higher standards such as capital requirements and definitions have been introduced, the pre-crisis decision making structure has been left untouched. Much more importantly, this chapter shows that the committee members still adhere to the previous approach to the banking risk. They still hold the conviction that the uncertainty in financial markets can be transformed into calculable risk, even though, the recent crisis questioned this approach and the recent work suggested instead that financial markets entail unknown and incalculable risks (Taleb 2007). I find this observation especially valuable given that most of the changes we observe after the crisis occur at the level of settings and instruments, rather than policy goals (Hall 1993).

Another chapter on international financial changes focuses on the transformation of the Financial Stability Forum (FSF) to the Financial Stability Board (FSB). Shawn Donnelly shows that the Board is more institutionally developed compared to its predecessor with a higher internal capacity to handle work load, better institutional capacity to coordinate external activities and members, as well as with a better framework to deal with national jurisdictions. Similarly, the newly established board is much more successful in developing concrete common goals, enhance transparency and generate peer pressure for reform. However, Donnelly observes that the Board still preserves most of the self-regulatory practices and does not challenge the status quo in a comprehensive way.

In a similar vein, in the very last chapter, Underhill & Blom evaluate the transformation in the international financial architecture as incomplete. For them, the extension of the membership of the Board from G7 to G20 was a major step to increase the involvement of different voices. However, they are still skeptical of the influence of these new members into the building up of the new architecture. The authors argue that private financial interests and their strong relations with the G7 state elites still affect the formation of financial policies at the international level. Borrowing the 'input v. output legitimacy' concept from Scharpf (1999), the authors illustrate that whereas the input side has improved, there are no observable changes at the output side.

Some Critical Remarks

This edited book provides one of the most comprehensive accounts of the post-crisis regulatory response both at the national, European and international level. The chapters are written by well-informed country and subject specialists, and clearly document what has changed – also not changed- in the aftermath of the global financial crisis. In this respect, I think the book accomplishes its most important task: providing an accurate account of post-crisis financial regulatory changes. However, like any good work, it has strong and less strong sides. The readers would have definitely benefitted more from the book had it provided a better conceptual and theoretical framework (i) to delineate the scope of changes/non-changes in the financial regulation, (ii) to make sense of variations between nation states, between different analytical levels (e.g. national v. international), and between issue areas, and (iii) to explain why regulatory change is inadequate compared to the expectations. It is true that it might be unfair to criticize an edited book – with mainly an empirical focus- on the grounds that it does not provide a clear argument or a theoretical framework. However, I hope these comments will be taken more as suggestions for future research on the topic, rather than as a direct criticism for the book.

First of all, I think we need a better conceptualization to evaluate and to describe changes in the financial markets. The book, as outlined in the introductory chapter by Mayntz, borrows the 'incremental v. radical institutional change' conceptualization from the institutionalist theory in order to determine the confines of change. However, it is not totally clear from the text – both in the first chapter and as it was applied in the empirical chapters – if the emphasis is on the pace of change, or the scope of change. Evidently, as discussed in the institutional theory, radical change refers to a major policy and/or institutional change that come immediately after an external shock. And empirically, what we currently observe in the financial markets is not a case of radical change. On the other hand, incremental change refers to small adaptations and gradual change that may have large impact in the long term. Given that we are still experiencing the post-crisis context, one can hardly be sure if the current situation refers to a limited change – in terms of the scope of changes – or rather to an intermediary step that can be perceived and theorized with the concept of incremental change. I find this conceptualization neither necessary, nor helpful to make sense of events happening in the financial markets. Instead, I believe, a framework that takes the kind of changes into account, would be more useful to evaluate the recent developments in financial regulation. Here, I am directly referring to the seminal article by Peter A. Hall (1993), where he identifies three distinct kinds of change: settings (levels), instruments (techniques) and policy goals. My reading of the empirical chapters is that we do not observe a fundamental 'policy goal change' in any of the cases. Many chapters stress that policy elites still hold similar views towards financial risk and the operation of financial markets. On the other hand, the changes are rather about settings and instruments of policy. For example, as discussed in chapter 10, changes in the Basel accords increase the capital requirement ratios and introduce stricter definitions for capital, but do not alter the way financial risk is calculated or perceived. Needless to say, one does not need to use this framework, or any other similar one. But the point is that we need better theories to evaluate the nature of regulatory changes in the financial markets in order to better assess what has changed, and what has not.

Secondly, even though being fully aware that it would be unfair to expect it from an edited book, I think we need better arguments to explain variations in the financial change between different nation states, between different levels of analysis, as well between different issue areas. Even though not a systematic effort was put in the empirical chapters, the introductory chapter states that financial reform was more observable at the national level compared to the EU and international level. One reason put forward by the author is that the severity of threat was much more explicit at the national level. Similarly, country chapters explain why reform was delayed or inadequate in each country with reference to domestic political factors, but the reader would have benefitted more had the introductory chapter told more about these factors, which might explain cross-national diversities. Moreover, the reader would have enjoyed the book more if they had read more about why certain issue areas were transformed more than others. Even though not covered extensively in the book, we know from other studies that the efforts to introduce macro-prudential regulation to address systematic risk were appreciated by the policy makers more in comparison to other reforms. This was both due to the severity of problems and the impact of the earlier intellectual work by Martin Hellwig, Avinash Persaud, Charles Goodhart as well as the research department of the BIS (Baker 2013).

As a last point, and in a similar vein with the previous comment, I think the future research on the topic need to have a more comparative focus to explain the barriers in front of financial regulatory change. Each individual chapter in this book provides an excellent account of these barriers – either being the political power of finance capital, the role of domestic institutions, or the cognitive factors shaping elite perceptions. This directly engages with the 'interests, institutions and ideas' debate in comparative politics and political economy. Therefore, the future research should aim testing the explanatory power of these perspectives in comparative settings. The politics of post-crisis financial reform provides an enormous opportunity to test our theories about politics and society. We should not miss this opportunity.

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Book: Francesco Boldizzoni, 2011: *The Poverty of Clio: Resurrecting Economic History.* Princeton: Princeton University Press.

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"Cliometrics" was always controversial, and self-consciously so. Launched as the "new economic history" in the 1960s and 1970s, of course in struggle with an "old economic history", the cliometricians wanted to apply economic (neoclassical) theory and the quantitative toolbox of the economist to economic history. Like with other forms of "economic imperialism" – the spread of economic perspectives and techniques to other disciplines – this has met with resistance, in this case by historians more focused on contextualization and inductive methods.**1**

Francesco Boldizzoni's *The Poverty of Clio* is a *streitschrift* against cliometrics and for a different kind of economic history, which Boldizzoni labels "creative" economic history. Essentially, his objections to cliometrics boils down to two arguments. One, cliometrics by applying neoclassical theory to the past untenably presupposes the homogeneity of the economy over time, seeing a modern capitalist market economy everywhere, even where there isn't one. Cliometrics misrepresents the actions of historical agents by presupposing that they are economically rational in the sense of profit-maximizing. Two, cliometrics uses the wrong methodological approach, using theory-driven deductive designs when really too little is known for a deductive approach, and being too hasty in applying quantitative methods when the historical data are not good enough. I am sympathatic to the first argument but less so to the second one. I will go through the contents of the book to clarify how Boldizzoni supports his claims, and then get back to the two fundamental arguments at the end of the review.

Chapter one presents Boldizzoni's definition of cliometrics and some main criticisms. To Boldizzoni the purpose of cliometrics "is to create narratives of the past compatible with neoliberal economics" (p. 5) and its definition is the application of neoclassical economic theory to history rather than the use of statistics and econometrics (p. 10). In chapter two Boldizzoni criticizes the market focus of neoclassical economics, including so-called neo-institutionalism (e.g. Douglass North) which tried to make economics more realistic but according to Boldizzoni still sees a market as the norm and other institutions as replacements (p. 39). In this chapter there is also some material which feels scattered and unnecessary, where Boldizzoni criticizes methodological individualism with an array of references (Durkheim–Mary Douglas–Bourdieu–Giddens–Margaret Archer, pp. 41–45) and also the idea of "the selfish gene" (pp. 45ff.) The rather rapid mix of subjects reveals one of the weaknesses of the book: sometimes it hurries from one topic to another without leaving the reader feeling really satisfied with the conclusions on any of the topics. Chapter three continues the criticism of the market-centeredness of cliometrics, including a hard-hitting critique of the Stanford economic historian Avner Greif's seemingly completely misleading analysis of Genoese traders during the 13h century. Again, however, the chapter is a bit unfocused with too many different critiques – the criticism of market thinking in analyses of love, religion and the antique economy seems apt to me, but mixing this with equally unforgiving criticism of using modern GDP growth models on historical data and of technical details such as which proxies may be used to measure historical living standards, makes the reading fragmented. While I am convinced that market-centeredness is an essential tenet of cliometrics (as defined in chapter one) and therefore worth thorough discussion in the book, I don't feel that the discussion of living standards proxies and growth models is necessary for the book's purposes.

After these two scattered chapters, we reach two more coherent ones. Both have the header "The world we have lost" and present Boldizzoni's ideals for economic historians; chapter 4 deals with micro and chapter 5 with macro economic analysis. Chapter 4 centers on analyses of households which do not assume modern capitalist market rationality: Witold Kula's *Economic Theory of the Feudal System* (1962) and Chayanov's peasant economy analysis are key references here. Chapter 5 focuses on the Annales school. Compared to chapters 2 and 3 which seem unnecessarily shrill and unfocused, chapters 4 and 5 are much more coherent, focusing on the key issues for an