

make a case for its financial prospects that goes against their statistical analysis? Are these investors to be understood as investing in businesses they identify with, and constructing an identity narrative by doing so, even when they claim to be using their experience to inform a strictly financial judgement? The distinction between competing rationalities and irrationality, in such cases, is complex. Similarly, Harrington's distinction between instrumental and affective relationships in investment clubs is, as one would expect, found to be reflected in her data. But how are we to understand such a distinction, without reinforcing the restricted view of rationality that Harrington's empirical work undermines? If participants are working with competing rationalities, some of which relate to the construction of their identities and social positions, then the distinction between instrumentality and affect becomes problematic. Would it even be fair to say that joining an investment club is, for some, an attempt to overcome the dichotomy between their social and economic lives?

Harrington's discussion of the differences between male and female investors also raises some interesting questions. I was persuaded that there might be a *diversity premium* associated with having both men and women in an investment club, although I would be keen to know whether this was of a different order of magnitude to that associated with other kinds of diversity (race, class, occupation etc.). In any case, it was intriguing to read that all-male and all-female investment clubs achieved comparable portfolio performance, despite their gender differences. Was this coincidence, or is there an implication that gender only becomes salient when men and women work together, rather than in isolation? I was also curious whether there was more to be said about the relationship between the reasons why Harrington finds that people make specific investments (profit, identity formation, status etc.) and the reasons why she finds that they invest in general (financial necessity, speculative mania, anxieties about retirement etc.): some of these connections are obvious, of course, but others are less so.

In more general terms, *Pop Finance* is lucid and accessible, and does an excellent job of introducing the lay reader to its empirical field. The book sometimes seemed overly concerned with positioning itself relative to a range of existing work, which tended to obscure Harrington's own line of argument somewhat. But her stated aim was to open up a new and valuable field of empirical research, and she has certainly achieved this. The issues she raises are timely, and her analysis of them is frequently original

and insightful. In her conclusion, for instance, she compares investment clubs in the first world to microfinance in the third world, as an analogous means by which individuals respond to financial pressures by capitalising on the value of their interpersonal networks. It is in such ways that Harrington's combination of broad sociological theory and detailed empirical research really pays off. Overall, I found the book engaging and provocative, and would recommend it as a good read for anyone interested in understanding investment decisions from the emerging perspective of empirical economic sociology.

Book: Fligstein, Neil, 2008: *Euroclash. The EU, European Identity, and the Future of Europe*. Oxford University Press.

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European leaders are struggling to come to terms with the popular rejections of both the Constitutional Treaty of the European Union, then later the revised Lisbon Treaty. Reading *Euroclash* helps clarify why many EU citizens seem unwilling to follow the course of ever deeper integration. In his latest book, Neil Fligstein traces the origins of the clash, identifying three groups of people with quite different attitudes towards European unity. First, there are those who positively assess European integration: educated, wealthy, mobile, and multilingual people who, having benefitted a great deal from integration, have developed a European identity in addition to their respective national allegiances. In contrast, people who belong to the second group rarely travel or work abroad, speak only their mother tongue, and are vested in national culture; many are low-skilled workers bound to lose from market integration and increasing international competition. In between these two is a third group that sometimes benefits from the opportunities of open borders: they generally support European integration but might at times object to specific projects. These are the swing voters most relevant for the outcome of referendums.

To validate these categories, Fligstein presents an impressive amount of empirical data, following Karl W. Deutsch in focusing on how economic, political, and social fields have emerged in Europe through cross-border transactions and horizontal linkages. The basic argument is that the more involved people are in these fields, the more likely they are to favour European integration and, eventually, to

foster a European identity – but only if “organized individuals or groups routinely interact under a set of shared understandings about the nature of the goals of the field, the rules governing social interaction, who has power and why, and how actors make sense of one another’s actions” (p. 8). However, the backdrop is that the opportunities to participate in cross-border transactions are unevenly distributed, which explains the different degree of support for the EU.

The first chapter introduces the book’s analytical tools and theoretical perspective. We learn how European integration is shaped by and also creates a group of people who transcend national boundaries to become true *Europeans* – and how small a group this is. The clash referred to in the title of the book takes place between these winners of European integration and those who pin their hopes on and largely depend on the nation-state. The second and the third chapter show how far market integration in Europe has advanced since 1958. The European Community by now is the largest trading block in the world, and as a result of European integration, economic exchanges among member states have continuously intensified. Large firms make ample use of this opportunity to invest throughout the unified market. Moving from the macro level to case studies, the fourth chapter looks at three industries in more detail. Fligstein chooses the defence, telecommunications, and football industries to demonstrate how firms become Europeanized and Europe-wide economic fields emerge.

The fifth chapter, *Who Are the Europeans?* is the core of the book. Using Eurobarometer data, Fligstein seeks to substantiate his central hypothesis: those most strongly in favour of European integration “are going to be people who have the opportunity and inclination to travel to other countries, speak other languages, and routinely interact with people in other societies in Europe-wide economic, social, and political fields” (p. 126). The empirical analysis confirms that among the EU-15, the most privileged socio-economic groups are also the most European-minded. However, they are a minority: only about 13 percent of all citizens think of themselves predominantly as Europeans, whereas a majority put their national identity first (p. 156). In Luxembourg, Italy, France, Spain, and Germany most people at least sometimes think of themselves as Europeans, whereas people from Britain, Finland, Sweden, Greece, Austria, and Ireland cling to their national identity more fervently. The empirical analysis shows that cross-

border interactions do create post-national identities – but only for those regularly involved.

Chapter six looks more closely at patterns of interaction. It presents data on intra-European migration and Europe-wide associations. Much attention is devoted to the emergence of an education field and to European popular culture. In all cases, we can see the seeds of European society. The seventh chapter puts European politics at its centre, focusing on the complex political system operating in Brussels, which also influences politics within member nations. While there is no genuine Europe-wide public sphere, national publics have become Europeanized: that is, most mainstream parties are in favour of European integration, though fringe parties remain sceptical. Politics in the European Union can only be analysed if we take both levels into account. Finally, chapter eight reiterates core arguments and summarizes the main findings of the book.

As this brief overview indicates, *Euroclash* is a rich book and worthwhile reading. It is to my knowledge the most systematic study of European identity to date, and it strikes a fine balance between theoretical ideas and empirical work. Of course, it also invites some questions, of which I will focus on three. First, inasmuch as transactions cross national borders, they also transcend the European Union, creating *world-wide* fields of economic, scientific and even pop culture activity. The most privileged European socio-economic groups also travel, study, and work *outside Europe*. And as Fligstein notes himself, Europeans more frequently watch US movies and television programmes than emissions from other EU states. If all of this is the case, what does it mean for the emergence of a European identity?

Second, there is a tendency in *Euroclash* to idealise European integration. Neil Fligstein clearly is fond of the project. While this is not a problem in itself, it does sometimes lead to far-fetched interpretations. For example, he portrays the Erasmus student exchange programme and the Bologna process, which aims to create a unified *European Higher Education Area*, as a means of educated elites to push the Enlightenment project forward (pp. 178-179). Most Europeans probably take a more mundane view of these programmes; in fact, the case study in chapter six shows that the French education minister started the Bologna process for less noble reasons: it helped him to gain leverage for domestic reforms in France (pp. 187-188).

Third, despite much empirical work on European identity, it remains somewhat unclear what this term means. Do the *Europeans* support integration for selfish reasons (because they have benefitted), or does European identity commit to cross-border solidarity? Which policies does the most European-minded group favour? Would they still support more integration if it meant they had to pay higher taxes to finance Europe-wide redistribution? Euroclash does not tackle these questions. Yet, some discussion of these and similar issues seems important to explain what *European identity* means and what its implications are.

Let me finish on a personal note. The present reviewer has been part of the Erasmus programme, has travelled many EU countries, speaks more than one language, and benefits from cheaper and better products and services that result from market integration. Reading Euroclash is a strong reminder that many fellow-Europeans have been less fortunate and that the current crisis of European integration can only be solved if their worries are taken seriously. In addition to all the scientific merit of the book, this in itself makes it a recommendable read.

Book: Biondi, Yuri, Arnaldo Canziani and Thierry Kirat, 2007: *The Firm as an Entity: Implications for Economics, Accounting and Law*. Routledge,.

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This multi-author volume edited by Yuri Biondi et al. is a useful and thought-provoking contribution to the analysis and understanding of the firm. The 18 chapters include an interesting blend of original writing and established contributions. The structure is divided into four parts: an introduction followed by three thematic segments. Part two covers the economic theory of the firm with one original essay on the current state of the debate, and four reproduced contributions by Simon, Shubik, Coase, and Berle. Part three sets out three original and three reproduced essays on historical perspectives on accounting, law and economics and what they offer for theories of the firm (I personally found this section very interesting). Finally, part four presents five essays that set out more recent thinking on a unified economic, legal and accounting approach to the firm, or the firm as an entity; the term *entity* is used throughout the volume to emphasise the holistic nature of

the firm rather in contrast to perspectives that derive the firm from individual decisions.

Given that the volume covers 374 pages of text, it is not possible to examine each chapter separately; instead my comments develop themes common to all of the chapters. The volume as a whole takes issue with two characteristic features of the orthodox economic analysis of the firm: its methodological individualism, and its reduction of the firm to a legal personality or governance device. A major feature of the discussion is that economics characteristically bolts non-economic inputs onto to economic frameworks, using concepts and theories from law and accounting in ways quite different from their legal and accounting uses. There is no real attempt to analyse the *inner core* of accounting and legal knowledge, or to use this core to inform economic understanding—creating an *ontological failure*, as Gindis' chapter puts it.

One of the strengths of this volume is that it does some of this hard work by taking law and accounting on their own merits and using them to develop a new economic approach to the firm. This task is facilitated by the specialists in this volume straddling the economics and law/accounting divide. This volume, therefore, acknowledges the interconnections among the three disciplines, and asserts that recognising the real core of law and accounting compromises the individualism and reductionism of orthodox economic writing. This claim is not new, but it is something that we should keep saying.

The volume's contributors use the intellectual tradition established by Veblen and Commons to buttress their claims. But the discussion is also linked to the sociological tradition of Durkheim. His distinction between *mechanical* and *organic* societies was based on a transition from collective to individual consciousness; with the development of this consciousness, individual action can lead to the evolution of legal structures, even if we incorporate some idea of historical determination and path dependency. In short, Durkheimian sociology analytically distinguishes the origins of legal institutions and the division of labour from the role of individual agency in the evolution of existing institutions. Many writers lose sight of this distinction between the emergence of a structure and its evolution once it exists. The same methodological principles need not apply in both situations.

Just as Durkheim emphasized the distinction between law-as-institution and law-as-activity, Biondi and his co-editors